

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, OCTOBER 13, 1927

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION Ltd.
THE EMPLOYERS' FIRE INSURANCE COMPANY
AMERICAN EMPLOYERS' INSURANCE COMPANY



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(13)



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A N A T I O N A L O R G A N I Z A T I O N

The National Underwriter

Thirty-first Year, No. 41

CHICAGO, CINCINNATI AND NEW YORK, THURSDAY, OCTOBER 13, 1927

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COMPANIES LOSE IN KANSAS RATE CASE

State Supreme Court Holds
Against Their Contentions
in the Litigation

WILL APPEAL DECISION

Tribunal States That Investment Earn-
ings Must Be Taken into Consider-
ation When Calculating Tariffs

TOPEKA, KAN., Oct. 12.—The state has won the second round in the Kansas fire insurance rate litigation. The supreme court handed down a five to two decision Saturday in which it held that the insurance profits should be determined from all the income of the companies—investments, unearned premiums and every other item of income. The second decision of the court was much more sweeping than the former one and was more definite in its terms.

The opinion was written by Justice W. W. Harvey and was concurred in by Chief Justice Johnston, Justices Dawson, Hopkins and Hutchinson. Justices Burch and Marshall dissented, but did not write dissenting opinions. The two justices concurred with the other members of the court in allowing Justice Hopkins to sit in the case. Justice Hopkins was attorney-general at the time the case was brought. The court ruled that the little he had had to do with the litigation was not sufficient to disqualify him from sitting in the case.

The original decision a year ago was a four to two ruling, Justice Hopkins not sitting. The same justices, with Justice Hutchinson, new member of the court, adhered to the former decision. The case was argued before the supreme court three separate times.

Two Chief Points

There were two chief points in the litigation which the Kansas court decided in the new opinion. One was the allocation of the capital of companies to the different states. The other was the question of what consideration should be given to the investment earnings. On the question of the capital allocation, the court said:

"The premium rates, to produce a fair return, to which the stock fire companies are entitled, are such as will yield a fair return upon the present value of their capital used and useful in the insurance business, allocated to the state of the rate in question upon a consideration of all the insurance business transacted by such companies within the state compared with such business transacted by them elsewhere."

It was on this question and upon the investment earnings that the court had stood divided three and three in the previous decision and on which no decision had been rendered in the original de-

FIRE LOSSES FOR FIRST NINE MONTHS REACH THE BIG TOTAL OF \$247,341,400

"The reduction in the fire waste of this country, which started about a year ago, was continued through the month just past and while the record is not quite as good as that of September, 1926, the results are pleasing to insurance company executives and should be pleasing to the public, who in the last analysis pays the bill," says the New York "Journal of Commerce." Continuing it says, "The destruction of property in United States and Canada by fire during September, as compiled from the records of the 'Journal of Commerce,' aggregated \$21,875,000. While this is slightly larger than charged against the same month last year, it is below the figures of the preceding months. It is gratifying that the unwarranted waste of the nation's wealth by the excessive fire losses appears to have been in some degree checked."

Total for the Nine Months

The nine months' fire loss figures of this year show a total value of property destroyed of \$247,341,400, as compared with \$307,651,500 for the same period of 1926, and \$275,914,300 in 1925. Some of the fire underwriters attribute the improved conditions to the tightening up of underwriting practices, which has resulted in making it difficult for poor moral hazard risks to secure sufficient

capital used in the insurance business as the sum on which they are entitled to make a reasonable profit, and to disregard income from investments required by statute to be made by them in conducting the insurance business, both of which conclusions we have now determined to be erroneous, and having the inquiry as to their profits limited to premium receipts, less losses and expenses, they have failed to show what has become of all the premium receipts, what profits, if any, resulted from premiums received. If profits of plaintiffs are to be computed from underwriting business alone, the method pursued is not important. All that is required is that it be some accurate method and that it be complete.

Method of Fixing Rates

In discussing the method of fixing the rates, the court said: "In the cases of late years it has been uniformly held that the companies are entitled to a rate which, after payment of proper and necessary expenses and charges, will yield a reasonable return upon the value of their property used and useful in the business."

In discussing the consideration of investment earnings, the court said:

"Plaintiffs contend their investment earnings are entirely independent and distinct from underwriting profits and should not be included in their gross income for rate making purposes. We are unable to see merit in this contention. No reason suggests itself why the business of insurance should not be regarded as a whole. So far as the real owners of the business, the stockholders, are concerned, all income arising from the business and all expenses and loss incident thereto should be considered and must of necessity be considered in determining whether or not there has been a profit and the extent and the amount thereof. In estimating profits for the purpose of declaring dividends, unearned premiums are required by statute to be reserved. This requirement is primarily in the interest of solvency."

Computation of Profits

Upon the principle of the computation of underwriting profits, the court said: "The real difficulty with plaintiffs on this branch of the case is this: After having persuaded the referee and the court below to disregard the value of the

insurance to make the crime of arson as profitable as it had been in the past. They also give credit to the authorities, who, in many important centers, have become active in the investigation of losses having indications of incendiaryism or arson.

Loss Record for Three Years

The extent of the improvement in the fire loss situation may be more readily judged from the subjoined table of monthly loss records of the past three years:

	1925	1926	1927
Jan. ..	\$41,210,400	\$41,118,750	\$37,910,600
Feb. ..	32,472,000	30,963,750	26,285,000
Mar. ..	33,346,500	42,854,600	26,807,600
Apr. ..	37,696,800	52,408,400	29,720,600
May ..	29,170,800	32,764,200	20,713,000
June ..	23,650,800	28,676,000	25,481,200
July ..	29,622,000	31,723,400	24,248,600
Aug. ..	23,348,750	27,833,400	24,299,800
Sept. ..	25,396,250	19,309,000	21,875,000

Totl. \$275,914,300 \$307,651,500 \$247,341,400

Affected by Other Lines

The fire insurance companies' results for September were not as pleasing as the fire loss figures would indicate, as their side lines produced some bad results. Hail losses were very heavy, and just at the close of the month the St. Louis tornado took away from many any chance of profit on September's underwriting.

capital used in the insurance business as the sum on which they are entitled to make a reasonable profit, and to disregard income from investments required by statute to be made by them in conducting the insurance business, both of which conclusions we have now determined to be erroneous, and having the inquiry as to their profits limited to premium receipts, less losses and expenses, they have failed to show what has become of all the premium receipts, what profits, if any, resulted from premiums received. If profits of plaintiffs are to be computed from underwriting business alone, the method pursued is not important. All that is required is that it be some accurate method and that it be complete.

Say Method Is Inaccurate

"The method used by the plaintiffs in this case is both inaccurate and incomplete. It was accurate in the one respect, at least, of computing losses and expenses substantially greater than they were. It was incomplete in that it did not show what part of the premiums ultimately became profit. The result is that there is a fatal hiatus in the proof. It must be remembered that the gist of plaintiff's complaint in this action is that the order so reduced rates that plaintiffs were unable to make a reasonable profit. How is it possible to establish that fact without showing what part of the premiums, if any, ultimately became profits? The burden was upon the plaintiffs to establish their allegations that the order was unreasonable and confiscatory. They failed to make that showing."

Insurance premiums aggregating \$800,000 a year are involved in the Kan-

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ESTIMATES ON STORM LOSSES ARE REDUCED

Adjustment Work Is Progressing
Rapidly Under Centralized
Organization

COMPLICATIONS ARE FEW

Claims Are Mostly Clean-cut and All
May Be Cleared Away in
a Few Weeks

ST. LOUIS, MO., Oct. 12.—With the forces for the adjustment of the losses sustained in the St. Louis tornado of Sept. 29 now fully organized and actual settlement of insurance claims under way, it is very apparent that the early estimates of the storm destruction were very much exaggerated.

Latest available information is that the total property loss will not exceed \$17,500,000, while the insurance loss will be about \$6,500,000 and may go very much below that figure.

The outstanding insurance lesson of this disaster is that self-insurance is a very dangerous practice and that for proper protection against such general destruction in a metropolitan area, locally operated mutuals or insurance funds are entirely inadequate.

Big Self-Insurance Loss

St. Louisians generally will be forced to make good about \$3,000,000 of the total loss because the self-insurance idea prevailed here. This dangerous doctrine also accounts for the almost total loss sustained on the contents of residences, boarding houses, hotels and commercial establishments and for the inadequate insurance coverage on the stocks and equipment of industrial concerns hit by the storm.

It is a sad and very costly advanced educational course for a community so hard hit as was St. Louis in 1896, for, while the city was perhaps the best insured large community in the country so far as tornado protection on buildings was concerned, it carried practically no tornado insurance on other property. The fairly heavy tornado insurance on buildings was forced by the purchasers of mortgages on St. Louis property and especially by building and loan associations, which have always insisted on full fire and tornado insurance protection for money loaned in St. Louis and St. Louis county.

The proportion of insurance loss to total loss will be small because of the very large volume of self-insurance carried locally.

Big Loss by School Board

The heaviest loss sustained through self-insurance was by the board of education, which in turn will pass the buck along to the taxpayers of the city. When the tornado practically destroyed Central High School and two grade schools and badly damaged several other grade

schools, the school system sustained a loss of about \$1,500,000. It did not carry a cent of tornado insurance.

Catholic churches and institutions were probably damaged \$300,000. Most of this property, if not all, was insured by a fund organized several years ago by Archbishop John J. Glennon, in the belief that money could be saved on fire and tornado insurance premiums on church property.

The United Railways Company, which suffered a loss of about \$250,000 on operating and \$100,000 on non-operating property, had but little tornado insurance. It is also reported that all of the \$500,000 loss sustained by the Southwestern Bell Telephone Company will eventually be reflected in telephone bills.

On the other hand, the Union Electric Light & Power Company was very well insured and, through the foresight of the management of the company, its patrons will not be compelled to assume the extra burdens resulting from self-insurance at this time.

Under the operations of the Missouri Public Service Commission the public utilities are entitled to a certain percentage of earnings on the rate-base valuation and because of that rule the losses sustained by the various public utilities through the tornado may be used by the companies in any rate case they may bring before the commission.

Explains School Views

H. W. McNamee, secretary-treasurer of the board of education, in attempting to explain the failure of the board to carry any tornado insurance, told newspapers that the cost of such insurance over a long period of years had been estimated to be much in excess of any probable damage, even including the estimated \$1,500,000 damage by the storm of Sept. 29.

There are 137 public school buildings in St. Louis, and when the self-insurance idea was forced through by a majority of the members of the board, against the advice of competent insurance men, several years ago, a special insurance fund was created. The money that would have been paid for premiums on insurance policies was placed to the credit of this fund. When the tornado struck, it had a balance of \$85,000 to make good a loss of \$1,500,000.

Deficit Will Be Met

However, through the general funds collected from the taxpayers of the city, the deficit of \$1,415,000 in the insurance fund will be taken care of, as there is \$5,000,000 in the general school fund.

The board of education carries fire insurance on but three of its buildings, and Central High School was among this trio. The others are the administration office building and the O'Fallon grade school, which is located near several woodworking plants. Some portable buildings are also protected by fire insurance coverage, on the theory they are more liable to damage from fire because of their temporary construction. Most of the St. Louis public and grade schools are of fire-safe construction, but none are 100 percent tornado-safe. It is possible that the experience of Sept. 29 may decide the board of education to eliminate the self-insurance plan.

Second Storm Severe

On the night of Oct. 7 the city was swept by a heavy wind, electrical and rain storm, reviving memories of the tornado. In St. Louis the wind attained a velocity of about 50 miles an hour, and 1.58 inches of rain fell during the 24-hour period, most of it in the three-hour period commencing at 7:30 p. m. A temperature drop of 36 degrees occurred in the same period.

The storm increased the discomfort of the tornado sufferers, but did no additional damage in the tornado zone. Rain seeping through cables short-circuited 1,302 telephones in St. Louis, while a street car was struck by lightning. Electric light and power service in East St. Louis was also interrupted, while

CHANGE IN THE PLAN OF TOPLIS & HARDING

CHICAGO NOW HEADQUARTERS

Big Adjusting Firm Is Now Allied with the Wagner & Glidden Organization

An important change has been made in the adjusting concern of Toplis & Harding in this country. The chief offices heretofore have been in New York City. Hereafter the head United States office will be in Chicago. Announcement is made this week that the United States office of Toplis & Harding and the insurance adjusting office of Wagner & Glidden of Chicago have been amalgamated with headquarters in Chicago. Toplis & Harding will continue branch offices in New York City, Philadelphia, San Francisco and Los Angeles. Alexander Grant & Co., public accountants in Chicago, who have for the past year looked after the financial end of the Toplis & Harding organization have turned over to Henry L. Glidden of Wagner & Glidden of Chicago all their responsibilities. He has just returned from London where he consummated arrangements for handling the interests of Toplis & Harding in this country.

Is Old Organization

Toplis & Harding is an adjusting firm that started in 1790. It has a large business with London Lloyds. The plan is for Toplis & Harding under that firm to continue its business as heretofore while Wagner & Glidden will continue their general adjusting business. There is no change in the personnel of the other offices. This will give Toplis & Harding the highest grade management in this country. Mr. Glidden is recognized as one of the best informed insurance adjusters and he has associated with him men of ability and experience.

street car service on several lines was tied up. On State street, between Eleventh and Fifteenth street, sixteen poles were blown down, and six poles on Broadway, between Eighth and Tenth street. Several automobiles parked at the curb were meshed in the fallen wires, and one man was injured slightly when a pole smashed the top of his automobile.

In St. Louis the damage from this storm was confined to small areas in south St. Louis, north St. Louis and the west end, and affected only the telephone and light systems.

Adjusting Work Progresses

The adjusters for the companies have been attempting to speed up the checking up of tornado claims, and the companies are endeavoring to make settlements as quickly as possible. Naturally, all of the claims on tornado insurance have not yet been presented to the companies, but the adjusting organizations are functioning so well it is very probable that another two weeks will find most of the insurance claims settled.

J. K. Nelson, assistant general manager of the Western Adjustment, who has been in St. Louis since the storm, estimated that 85 percent of the damage claims from the tornado have been reported on. The Western Adjustment has 41 adjusters handling tornado claims, and each man is reporting on from 10 to 12 claims per day. The storm zone has been restricted to facilitate the inspections of damaged property covered by tornado insurance.

The adjusters for the various companies and the company adjusting organization, including the Western, Underwriters and St. Louis Adjusting Company spend the greater part of the day in the storm zone. At 4 p. m. the adjusters return to their offices in the

VALUABLE PAPER ON U. & O. COVERAGE READ

EXAMINERS HEAR ANALYSIS

C. G. Kuechler and Carl J. Richardson Prepare and Present Comprehensive Study of Coverage

At a meeting of the Examiners Club of Chicago last Thursday night, C. G. Kuechler, Cook county manager of the North America, and Carl J. Richardson of the Lloyds department of Marsh & McLennan, Chicago, presented a comprehensive and valuable paper on use and occupancy coverage. The paper was in the form of question and answer between an agent and a prospect, and omitted few, if any, queries or explanations.

An important part of the presentation was the detailed analysis for the prospect of the standard form for the coverage. This was dissected phrase by phrase and interpreted. Examples of exemptions, with the reasons for each, and specimen forms enumerating items covered, were included. Also among the forms analyzed was the prospective earnings work sheet on which use and occupancy values are listed for the convenience of insured and insurer.

The paper, which was eagerly received by all who heard the reading, concluded with:

"Not every concern is a desirable use and occupancy risk, and caution should therefore be used by confining this form of insurance to successful insureds. Use and occupancy insurance is applicable to tenants when property is occupied by tenant, and to owner when property is occupied by owner. Examiners should watch manufacturing risks of unusual character or risks where replacement of intricate, foreign or specially designed machinery is liable to cause unusual delays. Also they should watch plants using raw stock which would require unusual length of time to replace."

Pierce building for conferences with the insured. Later in the day the adjusters are called into a general meeting for a discussion of some of the problems arising from the tornado.

No Adjustment Complications

Harvey W. Russ, chairman of the committee of loss adjustments of the National Board of Fire Underwriting, is exercising general supervision over the adjustment of the tornado claims. He expressed the belief that all of the claims could be settled before Christmas.

Unlike many similar disasters, there are few complications in the St. Louis situation. It is simply a question of the amount of damage caused by the tornado, as there were but two serious fires immediately after the storm, and the St. Louis fire department demonstrated its efficiency by checking the flames before they could gain headway enough to spread to adjoining property.

Insurance men are loud in their praise of the St. Louis fire and police authorities for the way in which the tornado was handled. With about three-fourths of the city's fire alarm situation put out of commission, Fire Chief Alt quickly organized a fire patrol and watched every section of the five square miles. In this manner the entire zone had fire protection, notwithstanding the fire alarm system was put out of business. Many firemen also worked for 36 hours at a stretch to recover bodies of persons killed, while many injured were also rescued from ruined buildings immediately after the storm.

Work on Other Losses

The Red Cross is also giving free advice on tornado and life and accident insurance to those seeking it. J. W. Rodgers, manager of the Fire Under-

CASUALTY AGENTS ARE LIKELY TO BE HARMED

HENRY POINTS OUT DANGER

Declares Preferential Commissions Paid to Sub-Agents Is Destined to Create Serious Condition

J. W. Henry of Pittsburgh, at the meeting of the National Association of Casualty & Surety Agents at White Sulphur Springs, called attention to what he believes is a pronounced tendency of the times brought out particularly in fire insurance following the organization of the Eastern Underwriters' Association. He referred particularly to the effect of paying preferential commissions to certain classes of agents and cutting down the margin of supervising agents.

He said that the Eastern Underwriters' Association had established a graded system of commissions amounting to 20, 25 and 30 percent. He asserted that a supervising agent should have 10 percent margin for handling sub-agents and brokers. He called attention to the fact that with the grouping of fire and casualty companies under one financial control or management a new factor had been introduced. For instance, a casualty company operating on the branch office system has a number of agents attached to it who give it their business. It may have a fire company.

Wants Agents Favored

The casualty organization takes the position that its agents who are attached to it are entitled to more commissions than the regular brokers or non-policy writing agents. Such a company demands that these agents should be given 5 percent more than brokers or sub-agents. He cited the special case of the Travelers and the Travelers Fire. The Eastern Underwriters' Association is allowing Travelers agents in some of the cities where they give all their business to the Travelers an extra 5 percent where they place their business with the Travelers Fire. In other words, these agents get 15, 20 and 25 percent. Mr. Henry took the position that the effect will be that organizations of this kind will be able to attract non-policy writing agents because they can get more commissions than they otherwise would. He declared that at the meeting of the National Association of Insurance Agents at New Orleans next week, this subject would be the main one, as agents in a number of cities are becoming greatly aroused over the situation.

writers Association of St. Louis, has spent considerable time at the Red Cross office to give such advice, while daily two members of the Life Underwriters Association have been on hand to help in the settlement of life insurance claims.

Employees who were killed or injured in the tornado will not be entitled to compensation under the Missouri workmen's compensation act unless they were deliberately sent out into the storm, Alroy S. Phillips, chairman of the state commission, has ruled. The Missouri Commission made the same ruling after the tornado in Poplar Bluff May 9.

Commenting on the effect of the tornado on compensation claims, Chairman Phillips said: "If an employee was sent out into the storm to perform some duty in connection with it—for example, if his employer, seeing that a storm was coming, sent him out to get an automobile off the street, or to pull up an awning, his claim for compensation for injuries suffered while performing such duty would be considered by the commission."

The first organized attempt to take advantage of the tornado damage to increase prices for reconstruction materials

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ASSOCIATION MEETING IS GIVEN APPROVAL

Local Agents All Over Country
Will Attend Convention at
New Orleans

DAYS' PROBLEMS URGENT

Competition of Reciprocals, Mutuals in
Automobile Line Embodies
Danger to Business

NEW YORK, Oct. 12.—The program prepared for the annual convention of the National Association of Insurance Agents, to be held in New Orleans, Oct. 18-21, seems to have met with general approbation from local men in all parts of the country, many of whom have announced their intention to attend the gathering, confident that they will be well repaid for so doing. Two of the big issues before the stock fire companies today are those dealing with the competition of mutuals and reciprocals in the automobile line, and the licensing of non-policy-writing agents. Both subjects will be threshed out at the Crescent City gathering.

That the reciprocal concerns are making heavy inroads into the automobile business of the stock offices is undeniable, and nothing is to be gained by blinking at the fact. A savage cut into the aggregate premiums of the stock offices has been made by the General Exchange Insurance Corporation, which as an allied enterprise of the General Motors Corporation is in position to corral the insurance coverage on the great majority of cars sold by the latter institution. The mutuals and reciprocals of Detroit and other centers are driving hard to interest automobile club members in their particular form of coverage.

Competition Can Be Met

Severe as is this competition, it can be met effectively; but only through intelligent and concerted effort on the part of the stock company representatives. Local agents' failure to press the initial advantage they hold with their assureds and aggressively solicit automobile lines has made it possible for the reciprocals and mutuals to make the headway they have already attained and which they are tirelessly seeking to extend. The automobile insurance-getting campaign staged in certain midwestern cities some months ago demonstrated what could reasonably be expected if business of this character were energetically solicited, and should act as an inspiration to like effort in other sections of the country.

Automobile insurance is a highly important line to the local agent, for it means not only the sale of fire and theft coverage, but the larger premium paying liability and collision coverage as well. The agitation going on in many of the states for compulsory automobile liability laws has educated the average motorist to the need of carrying proper indemnity, and has materially lessened sales resistance, so that it should be a comparatively easy matter for the alert agent to round up business of this character.

Company, Agent Interests Same

Companies and their agents have a common interest in checking the aggression of the reciprocals and the mutuals, but the major effort in this direction must be put forth by the local men, for it is they who have the direct contact with prospects and can more easily drive home the merits of the stock form of coverage.

Appreciating the interest the local agent has in increasing his premium in-

WILL MAKE INSPECTION OF METROPOLITAN AREA

IMPORTANT WORK AT DETROIT

Michigan State Fire Prevention Association Will Look Over Certain Suburban Development Sections

DETROIT, MICH., Oct. 12.—An intensive inspection of suburban sections in the metropolitan district of Detroit, with a view to eliminating the rapidly increasing hazards from faulty construction and overinsurance growing out of speculative building operations and high pressure real estate developments was inaugurated at a largely attended meeting of the Michigan Fire Prevention Association here today. This inspection will be conducted by 12 teams of seven men each from the association membership during the next two or three days and will be captained by members of the special committee in charge of this work. These are Martin Brown, Nelson Reid, Arthur Baude, Thomas Little, Damon Row, P. J. Moriarty, Albert J. Knaak, W. H. Gabriel, Ed Richards, D. R. Simmons, S. T. Shepherd, C. L. Allen.

Attention to Dwelling Class

Particular attention will be given to sections with dwelling houses of inadequate construction which are known to exist in large numbers in the Detroit territory and are said to present tremendous hazards to insurance companies now that thousands of these dwellings are vacant or abandoned, due to the effects of the industrial depression, since the latter part of last year. A large number of these dwellings are covered by insurance. For the most part, this situation has been brought about through the far-reaching activities of building contractors and real estate companies dealing in the cheaper classes of suburban residential developments.

Unusual Situation Presented

It has now reached the stage where the most unusual situation of this kind probably ever confronted by the companies is presented. This has been aggravated by the inability of purchasers of these homes to keep up with their payments, with resultant wholesale vacancies. With the compilation of data it is planned to allocate all information to various companies involved through a central bureau or clearing house, probably to be established by the association. This will make possible its special application by the various companies through their field forces and other agencies. Following the completion of the Detroit district inspection, this work will be continued in principal cities in Michigan. Only a few sections where wholesale poor construction is known to exist will be covered in Detroit proper.

come, and consequently his commissions, sales methods will be considered more largely at the forthcoming meeting of the National association than ever before, and attendants at the gathering should be able to get thoroughly worthwhile suggestions from the discussions of this subject.

It is a fair assumption that consideration at the meeting will be given the general insurance code recently drawn up by a special committee of the American Bar Association. In the initial draft of the code no reference was made to an agent's qualification law, now on the statute books of some 14 states; to a resident agency law, though 44 states now define such requirement; nor to an agent's licensing act, all matters of high moment to legitimate agents which they are concerned in maintaining.

The issues before the agency frater-

INTERESTING SURVEY HAS BEEN ARRANGED

INVESTIGATE LOCAL BOARDS

Florida Local Underwriters Association Has Sent Out a Questionnaire to Get Important Information

TAMPA, FLA., Oct. 12.—In an effort to find out what goes into the making a good and useful local board of insurance agents the Florida Local Underwriters Association is sending out a questionnaire. The work is being done by D. B. Cole, of West Palm Beach, who was appointed for it at the recent meeting of the directors at Gainesville. The making of this sort of investigation is considered by Mr. Cole as "urgent and important to a bigger and better and more useful program for the development of our state association."

In a general way the agents of Florida have felt a new need for closer organization. The pressure to beat down brokerage has become so severe that they feel that if some definite move is not made the fashion of 2½ per cent up to 5 will become so well fixed that it can not be changed. Especially is this become important with the impression that the agreement of the S. E. U. A. to recognize brokerage rules of regularly established local boards may be changed or even abrogated at its meeting in Pinehurst in November. Officers of the state association feel that without good local boards they may be helpless to take care of this and other important situations in the state.

Hope to Form Model Code

From the answers to this questionnaire that Mr. Cole is sending out it is hoped to form a model code for local boards in Florida, one that may be used in all types of cities and towns with changes to suit local conditions. "If it is important to have local boards," says Mr. Cole, "their value will depend upon how well they are organized and function, and how useful they are in serving the insuring public." The information sought in the direct inquiry to each agent to whom the questionnaire is sent includes collection rules and how well they get results, brokerage regulations and whether they are effective, and where they do not function, an opinion as to why they do not.

Methods and plans along social lines are desired. To what extent are gatherings, picnics, golf tournaments, etc., used, and if weekly or monthly luncheons are held and if the cost is a part of the dues or left to each meal. Also how much good things of this kind do the cause. Is there a program of constructive work, such as proper building codes and fair and proper laws and regulations, and when one thing is done does the board go right into another. Publicity plans and means of reaching the public are wanted. Each board or agent is asked how many of the members of the local board are members of that the state and National associations, what percentage of all the agents are in the local board, and how much of the total business of the community is written by the agents in the board, etc.

nity today are of such concern as to warrant the attention that will be given them at New Orleans, and fully justify attendance at the convention.

Walter H. Bennett, secretary-treasurer of the National association, was scheduled to leave New York for New Orleans Oct. 13 to acquaint himself well in advance of the initial session with all details for the conduct of the gathering. President Frank L. Gardner and W. E. Harrington, chairman of the executive committee, will attend the Birmingham banquet to be given Frank N. Julian, retiring insurance superintendent of Alabama, going thence direct to the Crescent City.

MEETING OF BUREAU IS FOUND INTERESTING

No Action of First Importance
Taken at Semi-Annual Meeting
of Western Bureau

UNION ACTION RESENTED

Commission Situation in Cook County,
Ill., Still Presents Problem to
Organization

Though no action of first importance was taken by the Western Insurance Bureau at its semi-annual meeting at Briar Cliff, N. Y., there was no lack of interest in the proceedings. On the contrary, several of the subjects on the agenda were discussed at considerable length and with great earnestness. Notably was this the case when Charles N. Gorman, chairman of the executive committee, presented the plan for regulating commissions and methods of conducting business in Cook county, Ill., adopted by the Western Union at its recent gathering at Manchester, accompanied by the suggestion of the latter's governing committee that approval be given by the Bureau.

Apart from the strong dissent which some of the Bureau members expressed to certain features of the commission arrangement, general resentment was felt at the action of the Union in formulating so important a program without consulting Bureau representatives. The latter felt that their interest in the situation is as keen as that of the companies belonging to the older body and that they should have had a part in formulating the plan instead of being merely asked to give the stamp of approval to an arrangement drawn up by the Union.

Change Is Delayed

As the Union's program was to become effective on its promulgation by the governing committee, and as the committee apparently felt confident of the cooperation of the Bureau, the failure of the latter organization to take any action in the matter, either by way of endorsement or the reverse, will probably delay if it does not wholly defeat the attempt to change the existing status in Cook county.

Several Bureau company officials expressed the conviction that the Cook county situation would not be taken up again so far as they were concerned until it could be dealt with in conjunction with Milwaukee, Louisville and certain other important centers of the middle west, contending that conditions in each of these cities called for remedial action, and should be considered as a whole, rather than individually.

Reports Made Again

Reports offered by the uniform forms, publicity and education and Cook County Loss Adjustment Bureau committees, were duplicates of those previously submitted at the Union meeting.

As general counsel for the Bureau, F. D. Silber reviewed briefly the present status of important insurance litigation in the middle west, mentioning particularly actions pending in Missouri, Kansas, Kentucky and Illinois. He also went into some detail concerning the attempt of the city of Chicago to enforce its construction of the fire department tax, seeking to make this retroactive for 30 years. Representatives of Kentucky, Mr. Silber said, had been in Chicago recently taking testimony in its suit against the companies, and endeavoring to compel witnesses to answer questions as to excess commission payments. They further sought classifica-



A Forecast

WINTER is coming. Icy blasts. Storms. Sudden cold. Each warning is a forecast of greater activity for our agents in Sprinkler Leakage Insurance.

Automatic sprinkler systems, designed for protection, will bring great destruction with each spell of freezing weather. Agents of this company are explaining to their clients now that most accidents of this kind are unavoidable. But that the resulting financial loss *can and should* be avoided through Sprinkler Leakage Insurance.

Our agents find that most alert business men will heed the warning of winter if they are impressed by the great danger in their sprinkler systems. Telling them and selling them is adding many new clients for this protection to the books this year.

STAR
Insurance Co.
OF AMERICA

Executive Offices: 1 Pershing Square
Park Ave. at 42nd St., New York, N. Y.

Western Dept.
CHICAGO

Pacific Coast Dept.
SAN FRANCISCO

THE COMPANY WITH THE L. & L. & G. SERVICE

tion statistics for the four years, 1921-1925, inclusive.

Rich Asks More Cooperation

As general manager of the Underwriters Adjusting Company, C. A. Rich noted the progress of the organization, speaking appreciatively of the marked improvement in the loss situation, and urging still stronger cooperation in handling claims by the Bureau companies. He also paid high tribute to the work of the Cook County Loss Adjustment Bureau, now strongly supported by all classes of companies operating in the territory.

The Underwriters Adjusting Company, Manager Rich stated, now maintains 34 offices, located at strategic centers, enabling thereby the prompt serving of clients. The steady diminution in the loss record Mr. Rich attributed in part to the effective work of the arson bureau of the National Board, and advocated an extension of its personnel in order to permit still greater activity. His office plans continuing, he said, its present practice of exchanging loss reports among member companies, the benefits therefrom being considerable.

The Bureau sanctioned extending the functions of the Cook County Loss Adjustment Bureau to embrace the settlement of tornado as well as fire claims, holding that this was the original purpose of the organizers of the association, and that failure to refer to other than fire losses in its constitution was a clerical omission.

Though well satisfied with the service afforded at Briar Cliff, the Bureau members decided to hold their gathering at Swampscott, Mass., May 16-18, 1928. Swampscott is but 12 miles from Boston, and easy of access both from the west and the east. The Ocean House, which will be the place of meeting, is attractively located and can take excellent care of its guests. It was the meeting place of the National Convention of Insurance Commissioners in 1922, and proved acceptable from every point of view.

Affiliated Organizations Meet

Following adjournment of the Bureau meeting proper, gatherings of the Western Inter-Reinsurance Bureau, the Western Sprinklered Risk Association

(CONTINUED ON PAGE 45)

ACTION TO BE TAKEN ON BANK QUESTION

WILL HAVE STATEMENT SOON

California Association of Insurance Agents Has Been Investigating Bank of Italy Issue

SAN FRANCISCO, CALIF., Oct. 12.—With increasing complaints being received from agents at various points in the state as well as from company managers the executive committee of the California Association of Insurance Agents will take definite action and make a public statement late this week regarding its stand on the Bank of Italy question which has created widespread interest. President H. J. Thielen has caused a complete investigation to be made. His statement has been delayed because of the distance of members of his executive committee from each other, causing the necessity of a correspondence meeting.

Members of Committee Met

Members of the committee residing in northern California met in Oakland last week and came to definite conclusions which were submitted to those in southern California. Action from the latter group is expected by Mr. Thielen Friday.

That the Bank of Italy's activities in life insurance circles are not regarded with favor by leaders in this branch of the business is indicated by a resolution condemning the solicitation of life insurance by banks or other financial institutions adopted by the San Francisco Life Underwriters' Association at a joint meeting of officers, executive committeemen and prominent managers, general agents and personal producers held in San Francisco.

Following the adoption of the resolution "Resolved that it is detrimental to the best interests of the life insurance business and all connected therewith further to extend company representation by financial institutions or indi-

(CONTINUED ON PAGE 45)

CONDENSED NEWS OF THE WEEK

Kansas supreme court holds against fire companies in their rate case. **Page 1**

Great interest taken in meeting of Western Insurance Bureau at Briar Cliff, N. Y., resentment to Union attitude on Cook county, Ill., commission situation being manifested. **Page 3**

Casualty acquisition cost rules will not be abandoned, company officials say, despite fact that enforcement has been seriously hampered. Conditions said to be improved generally. **Page 33**

Local agents in all parts of country signify satisfaction with program arranged for convention of National Association of Insurance Agents at New Orleans. **Page 3**

Estimate insurance loss in St. Louis tornado at \$6,500,000. **Page 1**

E. A. St. John of the National Surety was reelected president of the International Association of Casualty & Surety Underwriters and C. H. Burras of Chicago was reelected president of the National Association of Casualty & Surety Agents. **Page 33**

J. W. Henry of Pittsburgh calls attention to danger of non-policy writing agents attached to branch office casualty companies being allowed a preferential fire insurance commission. **Page 2**

All company officials are not optimistic over the Massachusetts compulsory automobile insurance law. **Page 34**

Interest in group sessions on Insurance Advertising Conference reaches high pitch as opening day of Chicago convention approaches. **Page 36**

Receiver in American Bonding case asks court to deny priority of claims of unearned premiums. **Page 34**

Charles W. Maydwell, former claim division manager of the Maryland Casualty, is made resident vice-president of the company and opens a branch office in Cleveland, O. **Page 33**

United States offices of Toplis & Harding and Wagner & Glidden of Chicago have been amalgamated. **Page 3**

Travelers gives its accident experience from automobiles. **Page 46**

Address of Deputy Commissioner C. A. Gough of New Jersey on fire insurance group system of operation attracts wide attention. **Page 8**

John C. Harding, western manager of the Springfield, has been elected chairman of the governing committee of the Western Union. **Page 13**

Total fire loss for the first nine months of the year amounted to \$247,341,400. **Page 1**

Hearing on revision of compensation rates for Minnesota is postponed until Nov. 1. Counsel pleads unfamiliarity with proposals. **Page 43**

Fifteenth annual convention of Oklahoma Association of Insurance Agents is well attended and enthusiastically participated in by local men. **Page 10**

Michigan Fire Prevention Association will make inspection of the suburban section in the metropolitan district of Detroit. **Page 3**

California Association of Insurance Agents will issue an early statement regarding the Bank of Italy issue. **Page 4**

Casualty association representatives will meet in New York Oct. 13 to take up further the question of compensation rates in New York. **Page 35**

FIELD MEN ARE TO BE FORMALLY TAUGHT

TO OPEN TRAINING SCHOOL

Travelers Will Afford Full Time Agents
Opportunity for Instruction at
55 John St., New York

HARTFORD, CONN., Oct. 12.—A new training school for all new full time agents of the Travelers branch office at 55 John St., New York City, will be established Oct. 24. This class will continue 10 weeks. It is the first of its kind planned by the Travelers in the field. Charles T. Boyd has been transferred to New York to have charge of this new instruction course. He was first a special agent at Montreal in 1919 and later served in Halifax as manager and Toronto and Chicago as associate manager. He will be located at 55 John St. as assistant manager. The training school will take up life, accident and group insurance with special instruction provided on automobile, burglary, plate glass and fire insurance lines. Classroom instruction will last an hour each day with the rest of the day devoted to selling. This new course will follow the field guide instruction now provided the company's agents in life, accident and group insurance and will include many of the features that have been a part of the Travelers home office training school for the last 25 years. It is expected that in time the facilities of the training school at 55 John St. will be extended to all new full time agents of the travelers in New York City. Mr. Boyd is especially fitted for this new training school of the company because of his varied experience with the Travelers in some of its metropolitan branch offices.

Blue Goose Grand Nest Plans

George S. Wright, attorney at Dallas, has been selected by the committee in charge of the good fellowship banquet for the grand nest meeting, as toastmaster. Mr. Wright is a brilliant man and the Dallas committee promises that he will make a delightful toastmaster. Incidentally, he will be host to the grand nest at his ranch on the last day, when the big barbecue will be held.

The ladies' committee which will function during the grand nest meeting in Dallas, Oct. 25-27, held a special luncheon-meeting Oct. 10, to discuss plans for entertaining the ladies of the ganders who will be at the grand nest gathering. Mrs. James S. Hereford is chairman of the ladies' committee.

Says Rules Are Violated

Manager Willis O. Robb of the New York Fire Insurance Exchange has sent a letter to members calling attention to the fact that some companies have agency appointments in excess of those allowed by the rules.

James W. Delaney

Local representatives of the Star and of the Federal Union in central New York have been advised by Vice-President C. A. Nottingham of the appointment of James W. Delaney as special agent for both companies in succession to Karl M. Keefer, recently resigned. Mr. Delaney goes into the field from the head office where he has been an underwriter. He has had prior special agency experience, having covered eastern New York at one time. He will assume his new post Oct. 15. Making headquarters at Syracuse.

National Board Committee Meets

At the meeting of the executive committee of the National Board of Fire Underwriters last week, the various standing committees made reports of progress in all matters before them. The meeting adopted resolutions of regret on the death of E. C. Irvin, for-

mer president of the Fire Association, and William B. Clark, former president of the Aetna Fire. The Minneapolis Fire & Marine, the Birmingham Fire of Pittsburgh and the New York Fire were elected to membership in the Board.

E. D. Lawson Elected Director

E. D. Lawson, marine underwriter and Chicago correspondent of William H. McGee & Co., New York marine general agents, was elected to the board of directors of the Transportation Insurance Company of New York at the recent first meeting of the stockholders. The Transportation Company has just been organized by William M. McGee & Co. with capital of \$500,000 and surplus of \$500,000. It will write ocean and inland marine and all-risk business. The stock of the company was heavily over-subscribed. Mr. Lawson has been with McGee & Co. 15 years, and five years ago opened the company's Chicago office.

Sprinklers Caused Loss

A sprinkler loss amounting to probably \$25,000 occurred in the Spiegel Furniture Company building in Chicago this week. A small blaze started a flow of water from two or three heads but the mechanism was lacking in shutting it off. The water did much damage as the system kept on operating after the fire was extinguished.

A. M. Browne Made Inspector

Announcement is made of the appointment of A. M. Browne, who for the past four years has been Ontario Inspector for the Canadian Fire, as inspector for Western Ontario for the following companies: British General, British & European, Phenix of Paris, General of Paris, General Casualty of Paris. The Canadian management of these companies is in the hands of Thomas F. Dobbin, Montreal.

Take Up Anti-Theft Associations

OKLAHOMA CITY, Oct. 12.—A conference was called last week by the state insurance board, to formulate a uniform policy for anti-auto theft associations operating in Oklahoma, to bring them under the supervision of the state insurance department, which has been recently made imperative by order of the board. In a recent letter the board advised all anti-auto theft associations operating in Oklahoma that their basis of doing business came under the jurisdiction of the insurance board, and that to continue operation within the state, they must comply with the insurance laws. A. L. Rourke, secretary of the insurance board, stated that practically all companies so advised, has either notified the board that they were discontinuing business, or that they would comply with the requirements of the board. Mr. Rourke stated that the board would begin enforcing the law immediately, if the companies did not consent to qualify.

Working on Building Code

ALTON, ILL., Oct. 12.—J. A. Giberson, prominent local agent, has been named on the special advisory committee of five which is working with the zoning and planning commission of Alton in the promulgation of a new building code. It now appears definitely assured that the planning commission will include a new building code in its completed report.

Settle New Albany Loss

Settlement has been made in the fire loss of Sept. 24, at the plant of the Anchor Stove & Range Company, New Albany, Ind., agreement being reached for payment of \$60,815.61, on claims of \$77,641.50. The Woelfel Day Leather Company and Interstate Public Service Company also suffered in the fire, which was the largest experienced in New Albany for several years.

Abolish Wood Shingles

ELDORADO, ILL., Oct. 12.—After many months of campaigning on the part of fire preventionists and those interested in reducing fire hazards, the Eldorado city council has adopted an ordinance amending the building code and prohibiting the use of wood shingles, not only on new buildings, but on repairs to old

buildings where more than 20 percent of the roof is being replaced. Only fire resistive roof coverings approved by the National Board will be acceptable in the future.

Rockford Insurance Club

ROCKFORD, ILL., Oct. 11.—The Rockford Insurance Club has launched its reading course. The first class meeting was conducted last week and the subject under discussion was "Principles and History of Fire Insurance." O. L. Shaw of the American lectured on the subject and full attendance characterized the meeting.

The club, which has affiliated itself with the Insurance Institute of America, is presenting the "Junior Course" this year, which embraces the following subjects: Principles and History of Fire Insurance, the Fire Insurance Contract, Building Construction, Fire Prevention and Fire Protection, Common Fire Hazards, Required Special Fire Hazards (the Woodworking Industries) and English.

To Launch New Company

ST. LOUIS, Oct. 12.—This week a group of St. Louisans filed at Jefferson City a declaration of intention to establish a fire insurance company to be called the American Automobile Fire Insurance Company, with headquarters in St. Louis and \$200,000 capital stock paid in. Incorporation papers will be applied for when and if declaration of intention is approved by the insurance department. The signers of the declaration were P. Taylor Bryan, Will R. Compton, Isaac H. Orr, L. A. Harris, Otto Paterson, P. R. Ryan, G. L. Schultze, A. L. Shapleigh and Walter W. Smith, all of St. Louis, and J. L. Crossman, Charles W. Disbrow, Jr., O. L. Schleyer and W. K. Standard of St. Louis county.

Reach High Level

The stock of three Philadelphia companies reached new high levels during the week. North America touched 76% as compared with 50 to 51 early in the year. The Fire Association sold at 66 and the Alliance 65%.

Receiver Is Appointed

The American Mutual Indemnity of St. Joseph, Mo., has been declared insolvent by the circuit court of Buchanan county, Mo. Ben C. Hyde, superintendent of insurance, was appointed receiver and is now attempting to wind up its affairs. J. A. Rathbun, deputy superintendent, was in St. Joseph recently and took over all the books and papers he could find belonging to the company. It is impossible to say what percent of the claims will be paid or whether anything will be paid.

Publish New Maps

The National Storm Insurance Bureau of New York has instituted a county map service, selling newly developed climatological state maps of representative counties, with township subdivisions shown. They will prepare these maps for any county in any state.

Kilpatrick with Glens Falls

John Kilpatrick, Jr., has resigned as manager of the General Adjustment Bureau at Syracuse, N. Y., to accept a position in the home office of the Glens Falls. His position in the General Adjustment Bureau will be filled by Fred J. McManus, who at present is senior adjuster in the Syracuse office of the bureau.

B. W. Jacob Resigns

B. W. Jacob resigned his connection with Fred S. James & Co. of Chicago and has become associated with R. E. James & Co. in charge of their casualty department. Mr. Jacob is experienced in both underwriting and production.

James S. Mahan Honored

James S. Mahan, electrical engineer of the Western Actuarial Bureau, has been made a fellow of the American Institute of Electrical Engineers.

The plant of the Hosler Packing Company at Circleville, O., was destroyed by fire this week with a loss of \$50,000 partly covered by insurance. Defective wiring is believed to have been the cause.

OIL BOOM CREATES HAZARD IN SAGINAW

Michigan City Is Unprepared for
the New Fire Dangers
Now Encountered

SUGGEST IMPROVEMENTS

Adequate Fire Protection Facilities Are
Needed to Cope With Unusual
Situation

SAGINAW, MICH., Oct. 12.—Fire underwriters are keenly interested in the situation in Saginaw and are closely watching developments, for there is a very serious hazard growing jointly with the growth of the oil boom in this city. Oil has been discovered and that directly under the city, so that unusual conditions are being created, as yet ungauged from a fire protection standpoint.

Acquires Big Field

That there is oil in the Saginaw district is now well known. That this field is being operated profitably is self-evident. That it will continue to be operated for some time yet is unquestionable. Estimates of this length of time vary from two years in sections where wells are numerous to twenty years where operations are carried on in large tracts by one or two wells. The fact that the Standard Oil Company is erecting a \$200,000 refinery in Zilwaukee, five miles north of Saginaw, indicates that this concern anticipates enough oil to be taken from this district to make their investment profitable.

All of which leads us to the obvious fact that certain districts of Saginaw, and practically all the village of Carrollton, are engaged in the oil business and will continue so to be for some little time, with the attendant increase of hazards resulting from conditions which are a direct result of this same oil business.

Partly Within City

The salient facts are that there are probably 285 operating wells in this district, all of which are engaged in pumping oil at the average rate of seven barrels a day. One hundred fifty-two of these wells are within the corporate limits of Saginaw, 130 of them being in Carrollton or outside of both Saginaw and Carrollton. Of the wells in Saginaw, 141 are west of the Saginaw River, in the residential section, and 11 of them are east of the river and bordering on its west bank. Oil is pumped out of the wells by stationary gasoline engines into steel tanks, each tank having a capacity of 100 barrels. A standard barrel holding 42 gallons, there are in each tank 4,200 gallons of crude oil.

Two tanks are usual to each well, making a probable storage of 8,400 gallons at each well. There are from two to four wells in each block. Likewise, and as a result of this fact, there are from 16,800 gallons to 33,600 gallons of crude oil in each block. Within the district in the city bounded on the north by city limits at Weiss street, south by W. Genesee street, east by Saginaw River and west by Madison street, there are 150 productive wells with the possibility of 550,000 gallons of crude oil stored in an area which is approximately one mile square.

No Precautions Taken

No precautionary measures have been taken by the city to care for this increase in hazard. Specific location of all operating wells are on file with the Michigan Inspection Bureau at Saginaw and can easily be obtained by writing them at that point. No preparation has been made by the fire department to

Teamwork

No matter how clever a man is, he cannot run an organization with lasting success by relying entirely upon his own brilliancy. "It's the everlastin' teamwork of every bloomin' soul" that counts.

The Lloyd-Thomas Company is built up on teamwork. An accurate *appraisal calls for the cooperation of the entire organization. Someone carefully handles one part of it, someone else another, and so on until the result is an *appraisal so accurate and full of fact value that its authority is never questioned. Each *appraisal is a lasting monument to successful cooperation.

***"WHAT IS AN APPRAISAL?"**—It is a complete classified inventory of insurable property (except stock, merchandise and raw materials). Each item of property is valued at today's cost to replace new. The amount of accrued depreciation is determined and the sound insurable value is given.

"ITS ADVANTAGES"—1st—It discovers insurable values that have long been written off the books through unscientific depreciation—2nd—It gives the agent, the assured, and the companies value facts of property. 3rd—It makes for adequate insurance protection, for in nearly every instance it calls for additional insurance.

The Lloyd-Thomas Co.

RECOGNIZED AUTHORITIES ON PHYSICAL VALUES

APPRAISAL ENGINEERS

4411 Ravenswood Ave., Chicago
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Cincinnati	Cleveland	Detroit	Indianapolis
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Denver	Toronto	Minneapolis	Kansas City
Washington	Los Angeles	Atlanta	Des Moines

JOHN H. GRIFFIN, President

NORTHWESTERN

FIRE AND MARINE INSURANCE COMPANY
MINNEAPOLIS, MINNESOTA

Isn't it worth while

To know that you have a
company in your agency
that has the facilities
and desire to serve
you completely and
satisfactorily?

Fire Tornado Lightning Automobile Hail Rents Use and Occupancy

handle an oil fire of any size. There is not an ounce of Foamite owned by the city government. True, an appropriation was made last spring for an "Andico" apparatus, but it has not been purchased. There is not a tank at any well, either in Saginaw or Carrollton, or elsewhere that is properly diked. No pretention of diking is made on most of them.

Gas Hazard Notable

Gas coming from the well, except in a few instances, is allowed to escape into the atmosphere. Where it is used by nearby householders it is improperly piped in every instance. This gas is a serious menace. Being heavier than air, it sinks to the ground, and in damp or rainy weather is kept to its lowest level, finding egress in cellars, sewers, or even in the structure housing the pumping engines. In the rear of No. 700 Clark street, early in September, a serious explosion occurred resulting in one death and some property damage due to the presence of this gas and to a supposed electric spark from a gasoline engine. It took the fire department over an hour to put out oil fires on the nearby soaked earth. Mud was used entirely. This potential hazard is always present and no attempt is made to anticipate a repetition.

Standard Sees Danger

This gas hazard is well known to the Standard Oil people, so much so that they have refused to transport any oil from east of the river by truck tanks, but have applied for permission from the war department to lay pipe lines under the Saginaw river to the west bank thereof connecting with their main pipe lines already installed on the east bank thereof, all of which run now to their refinery tanks at Zilwaukee.

Incidentally, the Standard purchase now only a small portion of the oil produced and which is to be refined locally. Other companies purchasing pipe theirs to concentration tanks located outside the city limits. All these concentration tanks are properly diked.

Show Explosion Hazard

As an illustration of the ordinary explosive properties of this gas which is let run into the atmosphere, it is to be noted that in the alley back of the Bancroft Hotel where a well has just been brought in, a quantity of gas was gathered two feet away from the well in an empty pint milk bottle, was sealed and then brought into contact with a match flame and the resultant explosion shattered the bottle. This illustration is very interesting and shows just what the prevailing hazard is.

As already stated, there has been no city ordinance of any kind added to Saginaw's code, having special reference to the oil business as it is being operated. True, a new zoning law has been made limiting any new drillings to industrial districts only, but this ordinance is being questioned in the courts and it is doubtful if it will stand up, so to speak. Again, it is optional with the executive branch of the city government as to its application.

Dangerous Possibilities

Today there exists a great potential hazard back of the Bancroft Hotel in Saginaw, a condition due to the presence of an operating well, which, in the opinion of experienced oil operators, is very bad. The alley in which is located the drilling apparatus and the tanks is heavily charged with gas. No attempt is made to shut it off, but this is only a temporary condition, as it is understood that the hotel owners will use this gas as fuel, saving thereby many thousands annually in money.

This opens up another aspect right within the business district of Saginaw. If the Bancroft Hotel experiment is successful, and oil experts state that the hotel building stands on high grade oil supplies and plenty of it, what is to prevent any other business of a similar nature, or in point of fact any other business using these same natural supplies of oil and gas, regardless of any

zoning law, the operation of which is primarily in the hands of an elective executive body?

Conditions Are Bad

Other property owners certainly have the right to utilize nature's gifts, and these gifts will be utilized, and in all fairness should be utilized by everyone having access to them. When this is done, and those in a position to know insist that it will be done, conditions in the high value district of the city during and immediately following the necessary processes of drilling and "shooting" will be highly dangerous, having in mind the laxity of the city government in their failure to provide for these ever-present contingencies.

When oil is being stored in the downtown section of Saginaw, in courts and alleys where no dirt for diking is available, and if it were, would be inexpensive to use on account of space, conditions will be very bad. It is expected that tanks will be set in basements or on low roofs with easily foreseen results.

As indicative of the extent to which the oil prospectors will go, it is to be noted that the owners and lessees of a three-story, fireproof garage salesroom building, the Hubbell Motor Company, at West Genesee street and the river, were seriously considering allowing these prospectors to bore through their building from the roof through three concrete floors and a three-foot solid concrete basement on the supposition that there was oil underneath. Undoubtedly there was and is oil under their building, but if anything went wrong when the charge of dynamite was shot through from the roof, there is a grave question as to whether there would be any building left immediately thereafter.

Suggestions Are Made

It would seem that action should be immediately taken to anticipate, or at least guard against, any possible contingency, and the following recommendations have been made with that thought in mind:

Pressure should immediately be brought to bear on the city authorities to—

(a) Make dikes at tanks mandatory. These dikes should be of earth thrown up around the tanks and of sufficient height and/or depth to hold entire the full capacity of the tank or tanks around which they are built. Oil must not be allowed to run down through street gutters into sewers, and from them into the river.

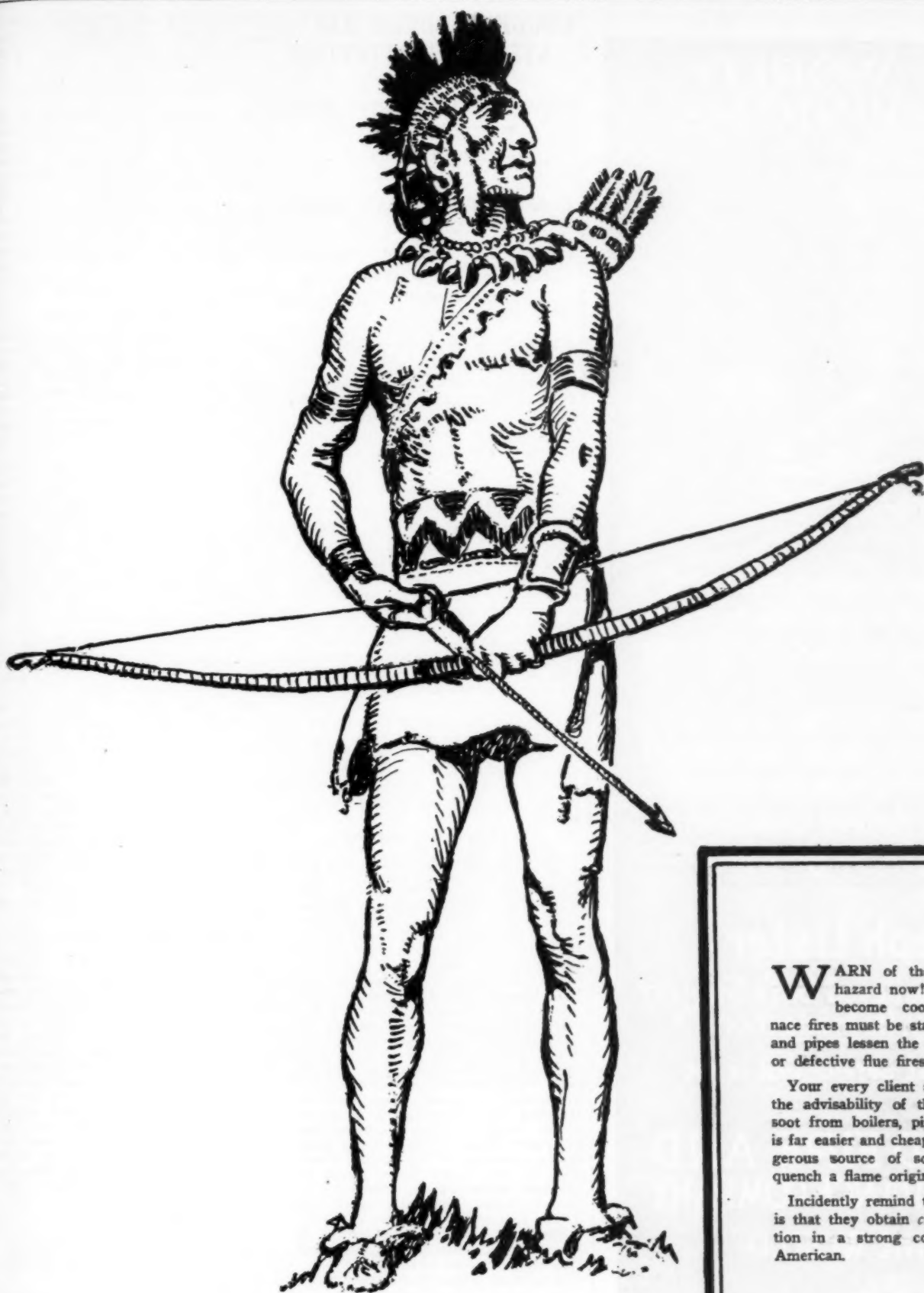
(b) Fire department should have a special engine equipped with a one-thousand-gallon tank of "Foamite" and at least three "Andico" machines.

(c) Gas must be properly cared for and utilized. This hazard is now the greatest factor existing. In Oklahoma and in Texas oil fields so well known and feared is this gas explosion hazard, that it is unlawful to bring an open flame to within 250 feet of an operating well. Even automobiles are excluded from this area.

A careful check should be made of all locations of wells, as given by the Inspection Bureau, to ascertain if additional rates have been collected and recognition taken of the presence on the premises of oil operations.

Homestead Increases Capital

At a meeting last week the stockholders of the Homestead Fire approved the directors' proposal that the company's capital be increased from \$250,000 to \$500,000. The plan called for issuance of 25,000 shares of new stock at par \$10, to be sold at \$20 a share. Thus \$250,000 will be added to surplus. Shareholders of record of Nov. 15 will have the privilege of subscribing for the new issue in proportion to their present holdings. Following completion of the plan the Homestead will have \$500,000 capital and total assets of approximately \$1,100,000. Surplus to policyholders will be about \$850,000.



"AMERICA FORE"

WARN of the danger of the soot hazard now! Fall winds will soon become cool—then colder. Furnace fires must be started. Clean chimneys and pipes lessen the chance of shingle roof or defective flue fires.

Your every client should be reminded of the advisability of thoroughly cleaning all soot from boilers, pipes and chimneys. It is far easier and cheaper to remove this dangerous source of so many fires than to quench a flame originating therefrom.

Incidentally remind them how imperative it is that they obtain *certain* insurance protection in a strong company like the First American.

**FIRST AMERICAN
FIRE INSURANCE COMPANY**

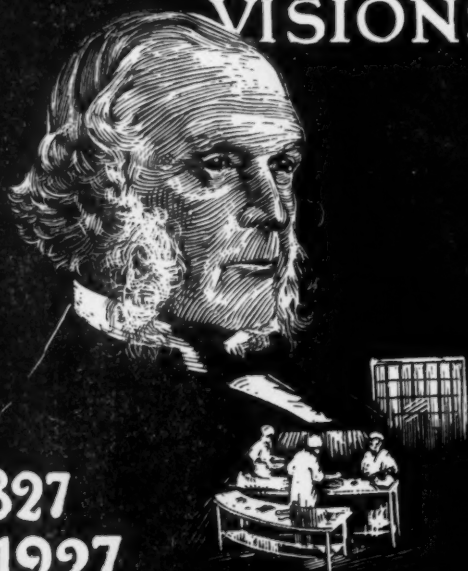
EIGHTY MAIDEN LANE, NEW YORK, N. Y.

EXCESS CAPITALIZATION BY THE STATE

CASH CAPITAL — ONE MILLION DOLLARS

NEW YORK CHICAGO MONTREAL SAN FRANCISCO

WORLD VISIONS



1827
- 1927

One hundred years ago a man was born who was to change surgery—as by a miracle—from a crude handicraft into a science.

Whereas blood poisoning—and with terrifying frequency, death—had followed most surgical operations, he was to apply the discoveries of Pasteur and others and give antiseptic surgery to a waiting world.

Sir Joseph Lister

saw a vision. He believed Safe Surgery could be a reality. He made it one!

There is no honest service that is not great service.

THE WORLD FIRE AND MARINE INSURANCE COMPANY

"Get the Best in THE WORLD"



Ralph B. Ines
President

AN INSURANCE SERVICE
EXTENDED TO EVERYBODY

The Insurance Information Bureau, maintained by the Aetna Insurance Company, The World Fire and Marine Insurance Company, and The Century Indemnity Company, will be glad to provide information on all insurance problems. This service, for which there is no charge, is not only extended to agents and policyholders of these three companies but to the general public as well.

Address requests for information to

INSURANCE INFORMATION BUREAU, 670 Main Street, HARTFORD, CONN.

GOUGH'S ADDRESS HAS ATTRACTED ATTENTION

Deputy New Jersey Commissioner
Strong Advocate of the
Group System

CLAIMS TEST WAS MADE

Declares that American Companies
Should Be Given Equal Advantage
With Foreign Offices

The address of Deputy Commissioner C. A. Gough of New Jersey on insurance stock holdings at the Insurance Commissioners Convention, in which he challenged the position taken by Superintendent Beha of New York in imposing the New York investment laws for its own companies on other state companies is attracting wide attention. Mr. Gough called attention to the group operating plan whereby the key or parent company owns a certain part of the stock of affiliated companies either directly or through a holding company. Mr. Gough declared that through this plan of stock control there is no inside circle. All stockholders of the key company share proportionately in the fortunes of the auxiliary company. He believes that this plan is very desirable because there is no favoritism up or down the line, no company is put forward at the expense of the other. Through inter-reinsurance arrangements there is no desire to give one company more desirable business than another. This Mr. Gough holds true where the key company actually owns the stock control of affiliated companies.

Opportunity for Favoritism

Where the key company does not own stock control it may at any time lose its business hold. He believes that where this condition exists through an inside circle there will be favoritism shown and some stockholders will be favored at the expense of the general run of the key company.

Mr. Gough's history of the group plan is of interest. He finds that for more than 25 years the system has been successfully practiced in the United States. In Continental Europe and Great Britain it has been in effect for over 50 years and probably in some respects for 100 years. The earliest American companies to establish the group system, were the Hartford Fire, National of Hartford, North America, Great American and Fireman's Fund. The foreign companies operating in the United States prior to 1906, which either owned or operated other foreign companies or United States companies were the Royal, Liverpool & London & Globe, Commercial Union, North British & Mercantile, London & Lancashire and Phoenix Assurance and Caledonian.

Mr. Gough shows that of the prem-

iums written by 60 of the groups operating in the United States last year the aggregate was 87.38 percent of the total premiums.

Responsible for Great Strides

Mr. Gough was very emphatic in his statement that the group system was responsible for the great strides made by foreign companies in their ownership of American companies and consequent control of premium income. He said that harmful results would ensue to American owned companies if they could not own companies of their own native country. He believes that the grouping of American companies has been a most important factor for the rapid advances in recent years.

Two New Jersey Groups

In his own state, New Jersey, there are two company groups, the Firemen's of Newark and the American. In 1905 neither had a group. In 1926 the Firemen's group wrote premiums \$25,001,307 or an increase of 2,400 percent since 1905. Last year the American group wrote in premiums \$14,391,379, an increase of 528 percent.

Mr. Gough called attention to the deposit system of foreign companies. He said that a foreign company can have more than its combined paid up capital and surplus invested in the stocks of other companies on the basis of book value and yet each of these companies can do business in every state regardless of any attempt of any state to make its laws relating to its own domestic corporations, extra territorial.

Taken from Home Office Assets

He asserted that these deposits are in the last analysis taken from the gross assets of the foreign office of the key company. No successful attempt he declared can be made to apply extra territorially to them the law of any state. He asserted that despite the size of their deposit their reputation for financial strength rests in the main in the minds of the public on their home office strength and reputation. This confidence, he declared, is based on the fact that British companies have always met their obligations honorably and promptly even though their assets in a foreign country were not at the time of an emergency sufficient to take care of their losses in such countries.

American Companies Opportunity

Mr. Gough therefore takes the position that it seems illogical and strange that there should be any sentiment opposed to at least giving to American companies in their own country the same business opportunities to operate in groups that their foreign competitors enjoy. He finds that the group system has not only stood the determining test of time abroad and here but it has at the same time so grown and spread in this country under this test that American companies in large part by reason of this system can now meet the heavy demands made upon them by modern business and industrial conditions.

One of the largest fires of the year in the smaller cities of the state was that of the Bemidji Hardware Co. at Bemidji, Minn. The loss was estimated at close to \$100,000.

"A Staunch and Reliable American Company"



D. M. FERRY, JR., President
E. J. BOOTH, Vice-President
F. A. SCHULTE, Treasurer
H. E. EVERETT, Secretary
E. P. WEBB, Asst. Secretary

47 Years of "Honorable Indemnity"

Assets, \$2,444,182.93

Surplus to Policyholders, \$1,863,444.94

WM. T. BENALLACK, Superintendent of Agents, DETROIT, MICH.



Yesterday~To Day

THE TOWN of Shelburne, N. S. preserves as an heirloom a fire engine presented by King George in the year 1787. This early hand pumper serves as a reminder of the need even then for fire prevention, protection and insurance.

The first evidence of fire insurance in America was an advertisement in the Boston News Letter of November 18, 1728. It stated that "one Joseph Marion has a plan for creating an

insurance office for insuring houses and household goods from loss and damage by fire."

To day insurance has its place in the economic life of the country. It works with the fire preventionist, and the fire fighter, to help conserve the physical wealth of the country. It not only protects the insured against financial loss caused by fire and other disasters, but in so doing contributes to the stability of credit and lends strength to constructive enterprise and development.

This is an advertisement by The Home Insurance Company of New York presenting to its agents a suggestion of the place which Fire Insurance takes as a vital factor of the nation's development.

The HOME INSURANCE COMPANY NEW YORK

ORGANIZED 1853

CHARLES L. TYNER, President

CAPITAL \$18,000,000



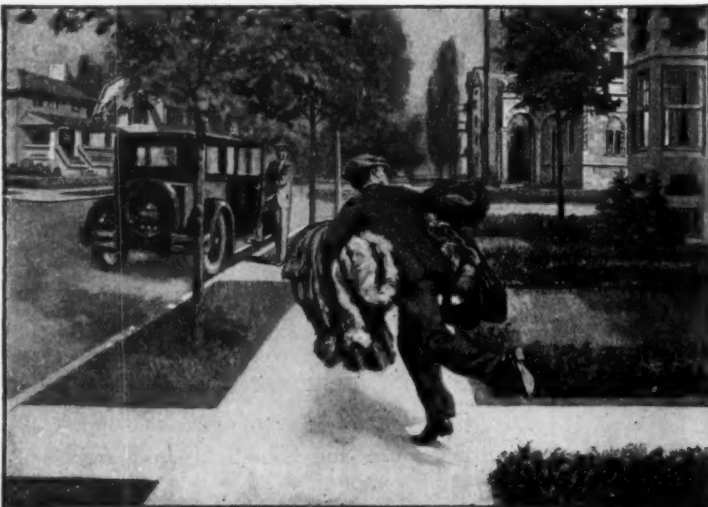
TO INSURANCE AGENTS AND BROKERS:

WE ARE MAKING APPRAISALS OF INDUSTRIAL ESTABLISHMENTS THAT YOU CAN USE WITH CONFIDENCE FOR THE PLACEMENT AND ADJUSTMENT OF FIRE INSURANCE. THESE APPRAISALS ARE BASED UPON A DETAILED INSPECTION AND INVENTORY MADE BY TRAINED ENGINEERS. COSTS TO REPRODUCE NEW, COSTS TO REPRODUCE NEW LESS DEPRECIATION AND INSURABLE VALUES ARE SHOWN. CLASSIFICATIONS CONFORM TO INSURANCE RIDER FORMS. WE DESIGN PLANTS, WE BUILD PLANTS, WE MANAGE PLANTS. OUR APPRAISALS ARE MADE, THEREFORE, FROM FIRST HAND INFORMATION. ASK US ABOUT THEM.

Ford, Bacon & Davis Incorporated Engineers

115 BROADWAY NEW YORK

PHILADELPHIA CHICAGO SAN FRANCISCO NEW ORLEANS



Is It Insured?

**FURS Insured against Loss of any kind
(except Moth and Wear and Tear) at
All Times and All Places**

A. F. SHAW & COMPANY

75 Maiden Lane
New York City

Insurance Exchange.
Chicago, Ill.

General Agents - "All Risks" Department

Saint Paul Fire & Marine Insurance Co.

MEETING OF OKLAHOMA AGENTS WELL ATTENDED

MANY DISCUSSIONS ARE HEARD

Program Is So Arranged That Speeches
Are Followed by General Inter-
change of Ideas

By WILLIAM A. SCANLON

TULSA, OKLA., Oct. 12.—The 15th annual convention of the Oklahoma Association of Insurers was held Tuesday and Wednesday of this week at Tulsa. There was good attendance and a fine program was presented. President Harry S. Carlin, Oklahoma City, presided at all sessions. At the opening session Ray Siegfried, Tulsa, extended greeting. The response was made by John T. Owsley, Chickasha, following which President Carlin made his annual address and the report of the secretary-treasurer was given.

Leo E. Thieman, Casualty Information Clearing House of Illinois, was the principal speaker Tuesday morning. There was a discussion of "Danger of a Single Track Agency." L. B. Peters, Okmulgee, led this discussion, and many agents participated in it.

Three Speakers in Afternoon

Tuesday afternoon those in attendance were privileged to listen to three unusually good addresses. Joseph V. Ferrari, Fort Smith, brought a message from the National association. Mr. Ferrari is regional vice-president of the national body. R. L. Berry, American Appraisal Company, spoke on "Appraisals." Advertising and publicity was the subject discussed by George Hudson of the Tulsa "Tribune."

Much of Wednesday morning was devoted to open discussion. Among the subjects taken up at this session were "Value of a State Organization." This discussion was led by M. E. Williams, McAlester. Vernon Sills was the leader in a discussion on "Proper Qualifications of an Insurance Agent." H. A. Leche, Grinnell Company, spoke on "Financing Sprinkler Equipment."

Practically all of Wednesday afternoon's session was devoted to the reports of the various committees.

Tuesday evening there was a dinner-dance at the Mayo hotel. Splendid entertainment was furnished at this affair. The program this year was arranged to allow for considerable time for discussions. Many of the agents took advantage of their opportunity to discuss among themselves subjects of vital importance. The speakers produced were of a high order and their addresses were given close attention.

American Appraisal Man Talks

Manager Berry of the Kansas City office of the American Appraisal Company gave a talk on appraisals, pointing out their aid to the insurance agents in rendering a better service. He said that big business and little business needs sound insurance counsel. It is the task of the local agent to gain the confidence of the assured. He said there are five classes of insurance which require appraisals, viz., fire, tornado, riot, sprinkler leakage, and earthquake. He called attention to the different methods that are used to approximate values, many of which are inaccurate and unreliable. He advocated a scientific, detailed, provable appraisal which gives an inventory of fixed assets, listing in detail all the items which comprise the plant, an inventory priced on today's market and depreciated in accordance with physical conditions. He declared it furnishes the common ground on which the adjuster and assured could meet and agree with every measure of certainty on either side. Proper appraisals, he said, can no more be made from ashes than deficiency in the policy can be corrected after the loss.

Leo E. Thieman of the Casualty In-

formation Clearing House of Chicago said that the casualty business can well take a cue from the motor industry which speeding along at a terrific rate is producing vastly more rapidly than companies and their agents are insuring. People will not voluntarily come and ask for automobile insurance. The great preponderance of persons who should be insured are not. He said that in some sections agents have allowed cooperative competitors to steal the potential thunder of stock companies with something not so good and by intense activity reap the harvest. He asked what agent can claim an exclusive franchise to the underwriting of automobile insurance in his territory; what agent can enter protest against the encroachment of the state; what agent can raise objection to wholesale schemes of various sorts unless he himself has exhausted the possibilities of his particular field.

President Carlin's Address

President Harry S. Carlin of Oklahoma City in the annual address called attention to the extension of bank and financial institution agencies to the detriment of the independent agent. He expressed the hope that the Oklahoma association may have a paid secretary in due season. He said that regional meetings have not been held during the year, but he finds great value in them. During the year the Oklahoma association was successful in organizing or re-vamping eight local boards.

M. E. Williams of McAlester told in brief the value of organized agents. He said that the state association has promoted many valuable enterprises and has done much to advance the cause of fire prevention and general understanding of insurance on part of the public.

MUCH INTEREST TAKEN IN PROPOSED TROPICAL TOUR

Insurance men who will attend the meeting of the National Association of Insurance Agents are showing much interest in the proposed tropical tour of the Standard Fruit & Steamship Company from New Orleans. W. Irving Moss, well known insurance man, who is president of the Union Indemnity, is chairman of the board of the Standard Fruit & Steamship Company. The Standard operates the fastest of palatial steamers going to Havana, and the 10-day cruise arranged includes Havana as well as Ceiba, Honduras, on a special round trip sea voyage which will take only ten days, starting immediately after the convention.

Rates are quoted at \$110 and up, which includes all meals aboard the steamer. It is interesting to note that the steamer will be used as a hotel during the stop-over at Havana and Ceiba, and abundant entertainment will be furnished by the Standard Fruit & Steamship Company.

Havana has been rightly called the mecca of tourists—a truly foreign world right at our doors, only a day and a half from New Orleans. In Honduras, the tourists will see all the wonders of the banana plantations, mahogany forests and cacao trees, from which cocoa and chocolate are made.

The trip is a very cool and pleasant one, with coverings necessary at night. F. G. Prat, traffic manager, care Standard Fruit & Steamship Company, Union Indemnity Building, New Orleans, La., is in charge of the cruise.

Braniff Becomes President

Thomas E. Braniff of Oklahoma City will become president of the new Provident Fire of that city, which expects to start operations early next year. It will have \$500,000 capital and like amount of surplus. Ed. Overholser, who has been president and manager of the Oklahoma City Chamber of Commerce, becomes connected with the new organization and will promote its stock sales.

CHANGES IN THE FIELD

ALLEN TO NATIONAL LIBERTY

Appointed State Agent in Eastern Michigan for Group, Succeeding Sheppard

C. H. Coates, vice-president of the National Liberty, announces the appointment of L. G. Allen as state agent in eastern Michigan for the company and for its associated enterprises, the Baltimore American and the Peoples National. Mr. Allen, who succeeds S. T. Sheppard, will make headquarters at Detroit. He has had a broad underwriting experience, first as a local agent in Nebraska subsequently as a state agent and later as a branch office manager. For the past two years Mr. Allen has been Detroit and Wayne county manager for a prominent company, and is widely known to the insurance fraternity in the territory he will now control for the National Liberty group.

W. D. Welsh and Walter Keany

The American of Newark announces the appointment of William D. Welsh as special agent assisting Special Agent Clarence J. Stalliday in eastern Massachusetts, Maine and New Hampshire, and Walter Keany as special agent for the automobile department.

Messrs. Welsh and Keany have been with the New England department of the American for several years. Mr. Welsh as office manager and Mr. Keany in charge of the service department.

William F. Halloran, who has heretofore assisted Mr. Welsh in the office, has been advanced to the position of office manager.

J. Reyburn Watson

J. Reyburn Watson, for the past several years state agent in Kentucky for the Fire Association, has accepted the field position in Kentucky for the Northern Assurance, which until recently was represented by Claude Snyder, Jr., who resigned in late September. Mr. Watson is a son of William Watson, secretary of the Louisville Board, and got his early training with the Kentucky Actuarial Bureau. R. A. Palmer, southeastern manager of the Fire Association is in Louisville this week and may announce Mr. Watson's successor.

Fred J. Lauschke

Fred J. Lauschke, special agent of the Fire Association in Illinois, working with State Agent Faber, has resigned as of Oct. 31. Before going with the Fire Association he was connected with the improved risk department of the Phoenix of London, traveling out of Chicago.

W. A. Bell

W. A. Bell, of Boston, for the past few years an active member of the field staff of the Aetna Fire in New England, will transfer to New Jersey to become special agent in that field the present month. Mr. Bell's early experience was in the west and he came to New England six years ago.

W. F. Plangman

Walter F. Plangman, special agent for the American of Newark, who has been associated with State Agent Hunt in Texas, has been given an independent territory. He will have charge of the northeastern section of Ohio, with headquarters at 1017 Euclid Avenue, Cleveland.

A. B. Stewart

The Virginia Fire & Marine has been licensed in Oklahoma and A. B. Stewart has been appointed special agent for the company, with headquarters in the Mercantile building in Oklahoma City.



As Poor Richard said,

"It is easier to build two chimneys, than to keep one in fuel."

And Poor Richard might continue—It is easier to keep two chimneys from catching fire than to put out one chimney fire.

This is Autumn—the time when the furnace fires are started; the time when chimney fires begin. According to the latest available figures, defective chimneys and flues were responsible for a loss of \$21,673,853 in one year.

As an insurance representative you are in a position to caution your clients and prospective clients against the hazards of sooty flues, cracked flues

and otherwise defective chimneys. Remind them that fire prevention week recently passed is an everyday affair and that clean chimneys go far to prevent fires, at least from that source.

As Fall fires are numerous, now is a good time to suggest to your prospects a check-up of their property to assure adequate insurance coverage.

And adequate coverage also means insured by a company whose age is a part of its reputation—The Franklin Fire.

The Franklin Fire offers to agents a wide range of insurance covers. Well qualified agents in territories where this Company is not already represented, are invited to investigate the advantages offered by this old established Company.

The FRANKLIN FIRE INSURANCE COMPANY
of Philadelphia
Organized 1829



SERVICE
FOR
NON-RESIDENT AGENTS

We Can Handle Your
Chicago Business Better
Than a Company Office

CRITCHELL,
Over 30
Years of
Continuous
Successful
Operation
in Chicago
**MILLER,
WHITNEY &
BARBOUR**

Wabash
6340

175 W. Jackson Blvd.

A Dependable Company

Agricultural
Insurance Company
of Watertown, N. Y.

2 MEN WANTED

A leading farm writing company wants an experienced adjuster and an experienced business developer for a middle western state, east of the Mississippi. Intelligent cooperation will be given and the salary will be adequate.

Application will be considered carefully and confidentially. Our own men know of this advertisement.

Address C-7

Care of
The National Underwriter

WANTED

Experienced Insurance Accountant. One capable of assisting in supervision. Address C-17, Care The National Underwriter.

CEDAR RAPIDS, IA. HOTEL ROOSEVELT

Rates: Room without Bath with private Lavatories \$1.50 and up. Rooms with Bath, Shower or Tub \$2.50 and up.

E. G. KILL, Mgr.

WANTED

Traveling solicitor and special agent for general fire business. Good opportunity with large group of Mutual Companies. SOUTHEASTERN AGENCY, Nashville, Tennessee.

WANTED IN CHICAGO

Man to take charge of insurance department of a N. W. side mortgage and real estate business. Prefer man who lives on N. W. side and has some business of his own. Splendid opportunity for a man who will work. State experience. Salary and commission. Address C-14, care The National Underwriter.

YOU MIGHT

have sold that last Accident and Health Prospect if you had read last month's

A & H REVIEW

Do You Know?

all there is to know about the Fire Insurance contract. Send one dollar for a two months trial subscription to our bulletin. If you are satisfied your payment may be applied on an annual subscription beginning with the July Number.

FIRE INSURANCE DIGEST
&
Question and Answer Service
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Out Oct. 15th

THE NEW 1928

Super-Combination Policy

The most complete automobile policy ever offered—
and at new low rates.

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222 W. Adams St., Chicago

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Quotations will be gladly furnished.

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Chicago Board of Trade
Asso. Member, N. Y. Curb Ass'n.

Refer to Quotations that appear regularly in
THE NATIONAL UNDERWRITER

AS SEEN FROM NEW YORK

—BY G. F. WILLISON—

TELLS ABOUT STOCK PLAN

C. M. Hansen of the General Reinsurance, who is one of the officials of the Insuranshares Corporation of New York, gave a talk before the National Association of Casualty & Surety Underwriters at White Sulphur Springs last week. He stated that the organization is not endeavoring to get control of insurance companies. It has had no such thought in mind nor will it follow any such purpose. He said that the corporation has already bought shares of 80 insurance companies. Its only interest as a voting power will be to throw its weight toward competent and experienced management.

Mr. Hansen said within recent years there has been a widespread public interest in insurance and more people want to own insurance stocks. He thinks that the business will be greatly benefited by a wider distribution of insurance shares so that stockholders having a personal interest in insurance companies can use their influence when companies are being baited. He said that the public service corporations had followed this method of getting consumer stockholders and had found it most beneficial. Stocks of high grade insurance companies are selling from 5 to 15 times par value. This means that only large investors can buy many shares. Through the trust certificate plan of the Insuranshares Corporation, Mr. Hansen said that small investors can get the advantage of buying an interest in a number of insurance companies' stocks.

CHANGE NEW COMPANY'S NAME

To prevent confusion because of the similarity of name, the management of the Colonial Fire of Jersey City decided to change the title of the corporation to the Pavonia Fire, planning to begin active business about the first of the new year.

COMMITTEES MAKE REPORTS

The Philadelphia, Washington and Boston committees of the Eastern Underwriters Association each submitted to the executive committee of the organization a report outlining in considerable detail the plan it proposed for the respective centers, asking and securing concurrence of the executive committee. The committee on binding offices likewise offered a report which met with general favor, and will be submitted for adoption by the members generally at a gathering to be held Oct. 26.

The troublesome question of non-policy writing agents will be reviewed by a special committee to be named by

President Bissell, its recommendations to be later presented to the executive committee, which body is to again meet on Oct. 25, the day preceding the association gathering.

On behalf of the Massachusetts Association of Insurance Agents, of which organization he is president, W. C. Moulton filed a statement with the executive committee of the Eastern Underwriters Association protesting against the granting by it of any concession to a company member, not open to any other.

TOKIO TO MOVE ITS OFFICE

Compelled by the needs of constantly expanding business to secure larger offices, the United States branch of the Tokio Marine & Fire, and its running mate the Standard of New York, will on Oct. 17 move into spacious new quarters at 80 John St., leaving the outgrown rooms at 45 John St., which they have occupied for the past five years. President J. A. Kelsey is now in Chicago, but is due home in a few days.

SAFETY FUND SOCIETY UP

Jewelers Safety Fund Society of this city has been ordered to appear in court Thursday and show cause why its affairs should not be taken over for liquidation by the insurance department; a late examination of its affairs disclosing it to be insolvent. It is understood the action by the department will not be opposed. The Jewelers Safety Fund Society was reorganized last year, and became an active competitor of the orthodox offices in writing jewelers block covers, taking the business at a severe cut in rates. The plight in which the concern now finds itself had resulted in a large amount of business being offered for replacement, in the consideration of which established rates and regulations are being insisted upon by the standard offices.

ARE MAKING AGENCY TRIP

Richard H. Thompson, third vice-president of the Maryland Casualty, and C. M. Martindale, secretary of the Home of New York, left this week on a long trip through the east, south, southwest and middle west, visiting the main agencies of the two companies. As is known, the Home and Maryland Casualty entered into a joint agreement to cooperate in forwarding the cause of the other. Instead of organizing a new casualty company, the Home of New York decided to affiliate with the Maryland Casualty. A number of meetings will be held at various central points where agents will be called in and the plan of operation will be outlined.

AS SEEN FROM CHICAGO

ROYALS TAKE FIRST

Last Friday the Royals and the North Americas clashed in the first game of a three-game series for the premier trophy of the Insurance Baseball League of Chicago, the Royals topping, score 8 to 3. If the Royals take the next game, the trophy passes to them without their having to play the third game. The next game has not yet been scheduled.

MAY OPEN CHICAGO OFFICE

Director of Trade and Commerce H. U. Bailey of Illinois will endeavor to have a regular office for the insurance department opened in Chicago in charge of some supervisor. At present there are 16 examiners working in Chicago and adjacent territory. Mr. Bailey himself finds it necessary to be in the city almost every week. He has made it a

custom to be at the City Hall Square building on Fridays, taking space in the Illinois commerce commission's office. He has held a number of hearings in the commerce commission's room. However, he finds it desirable to have special quarters for the department of trade and commerce and particularly the insurance department, to which he is giving personal attention. He has given a very comprehensive knowledge of the duties of his office and he is making himself felt. Mr. and Mrs. Bailey attended the Insurance Commissioners' Convention gathering at Cincinnati and then went on to White Sulphur Springs to be present at the casualty convention.

CLUB TO HEAR SPEAKERS

At a meeting of the ways and means committee of the Insurance Club of

Chicago held in the club last Tuesday plans were formulated for obtaining speakers for the luncheon meetings of the Club, held the first and third Tuesday's of each month. The names of the speakers are not yet available. The committee also gave attention to the membership drive, which is now in progress and is netting good returns, and to the educational work of the club. The educational courses for the fall and winter season are complete. The first casualty lecture will be delivered Oct. 20, and the first fire lectures in the intermediate and senior courses Oct. 18. The school will meet in the committee room of the Insurance Exchange.

J. A. KELSEY IN CHICAGO

United States Manager J. A. Kelsey of the Tokio is in Chicago visiting the city for the first time in many months. He will select a field man to travel out of Chicago with headquarters.

HARDING MADE CHAIRMAN

At the first meeting of the newly appointed governing committee of the Western Union in Chicago Tuesday, John C. Harding of Harding & Lininger,



JOHN C. HARDING

Chairman Union Governing Committee

western managers of the Springfield, was elected chairman, Fred A. Rye of the Commercial Union, vice-chairman. Mr. Harding is one of the stalwarts of the organization having served two years as president. He was recently appointed

on the governing committee by President John M. Thomas. Mr. Harding is well acquainted with the ins and outs of the Western Union and is true blue in every particular. His election as chairman of the governing committee insures a strong administration.

INSURANCE STOCK QUOTATIONS

H. W. Cornelius of Charles Sincere & Co., of Chicago, the investment house gives the following insurance stock quotations as of Oct. 11.

	Par	Bid	Asked	Div. per share
Aetna Co. & Sur.	100	1180	1220	12
Aetna Fire	100	645	660	24
Aetna Life	100	775	785	12*
Agricultural	25	110	125	22
American All.	100	420	440	16
American Auto.	10	50	55	20
American, N. Y.	5	28 1/2	29 1/2	1
American Surety	50	320	340	12
Automobile	100	340	360	1
Bankers & Ship.	100	350	...	10
Camden	5	23	26	20
Carolina	10	57	62	1.40
City of N. Y.	100	410	430	12
Colum. Nat. Life	100	250	...	7%
Commonwealth	100	600	...	20
Continental	25	209	211	6
Conn. Gen. Life	100	1740	1775	12
Fidelity & Cas.	25	187	194	5
Fidelity & Dep.	50	240	250	10%
Fidelity-Phenix	25	146	150	...
Firemen's	10	50	53	22
Franklin	25	285	300	32
Glens Falls	10	52	55	1.60
Globe & Rut.	100	1750	1810	36
Great Amer.	100	400	410	16
Hanover Fire	50	240	250	5
Harmonia Fire	10	58	60	1.60
Hartford Fire	100	685	700	20
Hart. Steam Boil.	100	800	900	14
Home, N. Y.	100	535	543	20
Homestead Fire	10	67	70	40c
Imp. & Exp.	25	97	102	14
Ins. Co. of N. A.	10	77 1/2	78 1/2	2
Lincoln Fire	20	80	...	4.50
Maryland Cas.	25	158	159	18
Merchants, com.	25	220	...	8
Merchants, pfd.	100	125	...	7
Metropol. Cas.	25	83	87	4
National Ct.	100	850	875	20
National Lib.	50	1050	1150	10
National Union	100	285	300	12
National Surety	100	262	300	9
N. Amster. Cas.	10	73 1/2	75	24%
Niagara Fire	50	255	265	10
Northern, N. Y.	100	330	...	10
North River	25	200	220	4
New York Cas.	25	125	135	4
Pacific Fire	25	120	130	3.50
Pacific Mut. Life	100	800	825	20%
Phoenix, Ct.	100	725	750	20
Preferred Acci.	100	450	500	23
Prov. Wash.	100	560	...	14
Rossia	25	130	133	24
Springfield	100	750	800	16
Stuyvesant	100	230	245	6
Travelers	100	1495	1510	16&ex
United States	20	240	250	5.60
U. S. Fld. & Guar.	50	345	355	18%
U. S. Mer. & Ship.	100	300	...	8
Vulcan	100	100	...	6%
Westchester	10	71	73	2.50

*Ex. Div.

CHICAGO COMMISSION ISSUE

There were two factors injected into the Chicago and Cook County commis-

sion and acquisition cost situation during the week that temporarily at least threw a wet blanket over the efforts of the Western Union to bring about a readjustment of commissions so that the acquisition cost might be cut down. In the first place the Glens Falls notified all its Class 2 agents that after Oct. 1, it would pay 20, 25 and 30 percent or 5 percent above the regular scale. In announcing this move the company told its Class 2 agents that it was making no exception as it was paying these commissions to all Class 2 agents. Furthermore it stated that it is prepared to meet any higher commission offers made by any other company.

In the second place the Western Insurance Bureau which held its meeting at Briar Cliff, N. Y., took no action whatever on the Chicago situation although it had the text of the Western Union agreement that was passed by that body at its recent meeting.

While most companies are exceeding the regular scale in the Class 2 districts, some of them still keep minor agents on the 15, 20 and 25 percent basis. A few companies have gone the limit in the Class 2 district, especially during the last six months. Some are stated to be paying as high as 40 percent for the preferred classes.

The Western Union undoubtedly hoped that the Western Insurance Bureau would take some action so that the two forces could come together and arrange a program that would be mutually agreeable. The Western Union naturally cannot proceed unless it has the cooperation of the Western Insurance Bureau. No authority was given the executive committee of the Western Insurance Bureau to treat with the governing committee of the Union and before any program can be adopted, it will therefore have to go back to the body as a whole.

Evidently the Glens Falls desired to bring the issue to a head in the Class 2 district and therefore it openly announced its move to meet all comers. If this action therefore precipitates still further acute competition in the outside district, chaotic conditions will prevail.

The large cities committee of the Western Union undoubtedly felt that the program it recommended and which passed at the Western Union meeting might be used as a basis for discussion with the Western Insurance Bureau. The Union members stated that they were not tied to this particular program but would yield on some points if a modification seemed desirable. The members however did feel that the time had come

for some action and from the temper of the meeting they seemed serious in what they did. While for the time being the fat is in the fire and probably nothing can be accomplished, it is expected that there may be a rapprochement later on which will bring the two jurisdictional bodies together.

It is understood that the Glens Falls took its action in the Class 2 district purely as a defensive measure. The Glens Falls like other companies has been losing business on account of excess commissions being paid far and wide and this is a move to try to clear the atmosphere.

COMPANIES LOSE IN KANSAS RATE CASE

(CONTINUED FROM PAGE 1)

sas fire rate litigation. The case has been pending in the Kansas courts almost six years. The case was started in February, 1922, the day before the order directing the companies to reduce the fire and tornado rates on mercantile buildings and contents throughout the state.

The companies went into the Shawnee county district court the day before the effective date of the order and secured an injunction against the order going into effect. The reductions ordered averaged about 10 percent. There were many variations in the reductions, according to the various classifications, and in some instances the reductions were as great as 30 percent and in others only 5 percent. The companies contended that the reductions were con-

Made a Compromise Offer

There was much dilly-dallying in the lawsuit until after Travis was retired from office. Then the companies submitted an offer to compromise the case, agreeing to make reductions in the future. This offer was rejected by William R. Baker, who had succeeded Travis. Then the companies submitted an offer to make immediate reductions but providing that the impounded premiums be paid to them. This offer also was rejected, this time at the insistence of J. M. Davis, governor. Then the case went to trial before Frith, appointed special commissioner to take the evidence by the district court. Intermittent hearings covering two years were required to take the testimony, which is said to comprise the largest record of any case ever tried in this state. Frith ruled for the companies on the fire rates and against them on the tornado rates.

\$10,000

IS THE YEARLY COMPENSATION WE PAY OUR SALESMEN OF ONLY AVERAGE ABILITY—TWO OR THREE TIMES THIS AMOUNT IS NOT AN UNUSUAL INCOME FOR A MAN OF PARTICULAR ADAPTABILITY IN SELLING GOVERNMENT, CORPORATION AND MUNICIPAL BONDS. HOWEVER, WE ARE INTERESTED IN TALKING ONLY TO MEN WHO KNOW THEMSELVES TO BE FITTED TO THIS BUSINESS AND WHO HAVE MADE A RECORD OF PROGRESS IN THEIR OWN FIELD. SUCH INTERVIEWS WILL BE HELD CONFIDENTIALLY.

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The state appealed to the supreme court on the fire rates, but the companies failed to appeal the tornado rate decision, and these reductions are now effective.

Arguments Before the Court

When the case got to the supreme court, the impounding of the \$800,000 a year in premiums was stopped. The companies had been required to impound the amount of premiums involved in the rate order with the insurance department. There are about \$2,000,000 premiums impounded.

The supreme court, by a four to two decision, one justice not sitting, ruled against the companies and reversed the district court decision. The companies asked for a rehearing and it was granted, and the case was reargued last spring. Then one of the justices died and the court stood three to two and could not make a decision. So the court itself ordered a reargument so that the justice appointed and the one not sitting could hear the arguments, thus making a full court. The final arguments were made in July, and immediately thereafter the court began the summer recess and has not been in session until the present week.

WILL APPEAL THE CASE

It was announced in Chicago this week by Hicks & Folonie, chief counsel for the companies in the Kansas rate litigation, that an appeal would be taken to the United States Supreme Court. As is known, the Missouri rate case has been appealed to that tribunal. The arguments have not been heard, but will likely be given in Washington late in the fall or early in the winter.

ESTIMATES ON STORM LOSSES ARE REDUCED

(CONTINUED FROM PAGE 2)

was brought to light when it became known that glass companies had boosted prices. Due to alleged keen competition for business, 1927 was a poor year for the glass companies operating in St. Louis until the tornado swept down on the town, and apparently they are not going to permit the opportunity to slip away.

The first advance was 40 percent above the rates for glass that prevailed prior to the tornado. Insurance companies having plate glass claims vigorously protested against the arbitrary action of the glass men. A conference was held between a committee of three representing the insurance companies and officials of the Aetna Casualty & Surety. The insurance companies held out for an advance of but 20 percent, while the glass men attempted to justify the 40 percent advance. Finally an agreement was entered into by the glass men that their rates would be advanced but 30 percent on glass purchased through insurance companies since Sept. 29.

Frank Meade of the Aetna, as chairman of the insurance committee, told the dealers his and the other companies would not order plate glass in the open market in the future if the 40 percent advance stood, but would concentrate their replacement orders with one glass company. Since the conference it is understood a local company has agreed not to advance its prices, and it will get all of the insurance business in the future. The glass men claimed their companies would make no profit under the 40 percent advanced rate.

Big Automobile Loss

It has been estimated that 600 automobiles caught in the storm were damaged \$200,000. The Nelson Service Motor Company, the official emergency company of the police department, retrieved over 300 machines, some buried in basements, but the majority caught in debris from wrecked buildings and garages. An equal number of cars damaged in the storm was cared for by the owners or other service companies.

As an example of the freaks of tornado winds, the wreckers found one automobile, a small coupe, otherwise undamaged, with the tire casing of the left front wheel completely blown off, while the inner tube remained on the wheel and was fully inflated.

The greatest damage to automobiles was in the public garages of the Sarah-McPherson Garage at the intersection of those avenues. All eleven cars in the garage were destroyed when the building collapsed. They were valued at \$33,000.

Compared With Other Losses

As the survey of the damage districts progresses, it becomes more apparent that the damage to property may be much less than the tornado of May 27, 1896, which killed 340 persons in St. Louis and East St. Louis, Ill., and did property damage of \$20,000,000.

The Lorain, O., tornado killed 70 persons and did \$10,000,000 property damage; the mid-western tornado that struck Murphysboro, Gorham, Hurst and West Frankfort, Ill., and vicinity in March, 1925, killed 700 and did \$25,000,000 damage, while the Florida hurricane last year killed 370 and destroyed \$25,000,000 of property.

The first hurried survey of the St. Louis storm district indicated 300 buildings had been destroyed, 2,900 damaged seriously and upwards of 2,000 other buildings damaged less extensively.

Check Up Is Made

House-to-house inspections have been made by inspectors of Building Commissioner C. C. Christopher since the day after the tornado. Up to Oct. 10 the inspectors had condemned 768 buildings, of which about 500 can be repaired, while 1,398 other buildings were reported in need of major repairs. The inspectors have about finished their work.

A similar check up made by the Red Cross revealed 60 single houses destroyed and 992 single houses damaged, and 51 double or multiple houses destroyed and 691 damaged, and, in addition, 147 single stores over which or behind which families had been living were damaged, making a total of 111 dwellings destroyed and 1,830 damaged. The Red Cross count did not list hotels, apartments, industrial plants, small shops, garages and the like.

Condemnation a Factor

The extent of the damage to the dwellings in the storm district will depend very much on the attitude of Building Commissioner Christopher. Many of the destroyed buildings had but 9-inch walls and were erected many years before the building code was revised to require 13-inch brick walls. The code provides that if 50 percent of a building is damaged and it is of 9-inch construction, it must be rebuilt with 13-inch walls. The building department has announced it will not be too technical in the enforcement of this ordinance.

John Schmoll, chairman of the housing committee of the Red Cross, said that to permit all property owners to rebuild with 9-inch walls would save at least \$3,000,000 in reconstruction costs.

Many Old Buildings Left

After the tornado of 1896 many of the damaged and destroyed buildings were reconstructed with 9-inch walls, and the greater majority are still standing.

Much of the tornado damage to dwellings and other buildings in the storm zone has been blamed on the widespread use of lime mortar in brick construction. Some builders have advocated the use of cement plaster in reconstruction work on the theory it would prove more effective in a similar tornado. It is estimated that cement plaster would cost \$1 per 1,000 bricks more than lime mortar.

The tornado indirectly was responsible for the killing of a bill before the board of aldermen to allow the use of concrete and cinder blocks for housing construction in St. Louis. The measure

lost by a vote of 14 to 14 after an hour's debate last Friday. The ordinance would have allowed the use of such materials for foundations and bearing walls in buildings of not more than two stories.

Much New Business Written

One of the expected aftermaths of the tornado was a decided rush for tornado insurance of all kinds in St. Louis and vicinity. The St. Louis agents have been swamped with orders since the day of the storm. Many millions of dollars of such coverage have been taken out since the storm, most of it for three years.

A similar situation prevailed after the 1896 storm, but much of the new business was lapsed after three years, especially on contents.

The fire insurance companies operating in St. Louis have issued orders to their agents to refuse to write fire insurance coverage on the buildings that were partly destroyed in the tornado. Some of the agents had been waiving the fallen building clause in fire policies. Insurance companies regard this as dangerous because of Missouri's drastic valued policy law.

Many of the insurance companies have also instructed their agents not to write tornado insurance on buildings or other property unless a like amount of fire insurance is applied for at the same time.

Issues Underwriting Rules

The American Central, with home offices in St. Louis, is among the companies that has tightened up on tornado insurance. It has informed the agents not to bind the company on such risks without submitting the application to the company, and in no case to accept tornado on any risk damaged in the tornado of Sept. 29. The company will also insist on fire insurance on the same risk. This and other insurance companies will also require that the tornado insurance be for at least half the value of the property insured.

In taking this stand the American Central is merely applying to its middle western territory the same regulations that have prevailed in its Atlantic Coast and Gulf territories for many years.

The American Central had approximately \$850,000 at risk in the tornado zones, and its loss will probably be less than \$150,000.

G. C. Giersberg, state agent for the London, after a careful check with his agents in St. Louis, estimated his company loss would be about \$45,000.

May Affect Rate Case

It is very probable that the St. Louis tornado and the Poplar Bluff disaster of May 9 last, and also the St. Louis storm of that same day will figure on the oral arguments in the Missouri rate case before the United States Supreme Court.

The rate case is due to come up in the high court some time in December and, as the evidence has already been closed many months ago, the only reference to the two big Missouri tornadoes would be in the discussions of counsel for the companies. It is certain that the attorneys for Insurance Commissioner Hyde will not bring up the subject and will endeavor to prevent any reference to the tornado losses.

The two disasters suffered by different sections of the state in the same year forcefully support the contentions of the insurance companies that they should be permitted to charge rates that will enable them to build up adequate reserves to meet just such emergencies.

Industries Have Recovered

Much of industrial St. Louis has recovered from the storm, and practically all of the storm-hit plants have resumed operations. One exception is the St. Louis plant of the National Enameling & Stamping Company. This structure was almost completely destroyed. The tornado also decided the question in the minds of the company officials for some months as to whether it should quit operations in St. Louis and remove the

equipment to Granite City, Ill., where the main plant of the company is located.

Another company making only temporary repairs is the Lothman Cypress Company at the foot of Angelica street. This organization has been in process of liquidation since Jan. 1.

The tornado also struck very conveniently for the Lindell Trust Company at Grand boulevard and St. Louis avenue, since it had contemplated wrecking the building to make way for a new structure. Several tenants in the three-story building had been notified to vacate, and a few had already started to remove to other quarters. However, as the structure was still in use, the tornado insurance carried was in full force and effect. It is a trick of fate that the insurance companies will have to pay for restoring a structure that was to come down within a few weeks.

President Bissell of the Hartford Fire states that in his opinion the St. Louis tornado losses for any one Hartford company will not exceed \$400,000.

Underwriters Adjusting List

The Underwriters Adjusting Company of Chicago has a strong force of adjusters in St. Louis. J. A. McClelland, St. Louis manager, was absent on a far west automobile trip when the storm hit St. Louis and did not take charge of the work until this week. D. E. Chilcote, was sent from the Chicago office to supervise the activities until Mr. McClelland arrived. Mr. Chilcote will remain on the job as an assistant. Aside from Mr. McClelland, H. C. Jensen, G. E. Kinney, William A. McKenzie, K. C. White and D. C. Jones are attached to the regular St. Louis staff. Other men in St. Louis are F. W. Beach, Kansas City; F. H. Haack, Cincinnati; E. B. Bystrom, Decatur, Ill.; J. A. McKamey, Chicago; P. C. Rogers, Louisville; E. V. Rawlings, A. B. Barber and C. T. Hynous, Chicago; A. J. Cameron, Duluth; E. D. Stull, Des Moines; J. C. Heckman, Detroit; E. N. Olson, St. Paul; J. K. Battershill, Kansas City and J. A. Chambers, Omaha.

Look Over the Field

A number of managers and assistant managers have been in St. Louis looking over the storm area and endeavoring to get the approximate amount of liability in which their companies are involved. Among those on the ground were Manager E. M. Schoen, Atlas; Manager W. A. Chapman, Fireman's Fund; Manager S. H. Quackenbush, Westchester; Assistant Manager W. H. Riker, North America; Manager Fred A. Rye, Commercial Union; Superintendent of Agents J. R. Rygel, Hanover Fire; Agency Superintendent Goodman, Springfield Fire & Marine.

Sellery Makes a Guess

General Manager Roy A. Sellery of the Western Adjustment was on the ground last week. Mr. Sellery stated that it is impossible to approximate the property or insurance loss with any degree of accuracy. He did say however that in his opinion the insurance losses would run beyond \$7,000,000. The Western Adjustment has 46 men on the ground. The damaged area is divided into 20 sections and from one to four men assigned to each. Mr. Sellery states that the entire crew will be in St. Louis from 6 to 8 weeks. Joe K. Nelson, assistant general manager at Chicago, is in charge of the Western Adjustment work at St. Louis. The Western sent topnotch adjusters from many of its branches. Mr. Nelson is being assisted by John Keller, manager at St. Louis.

Western Adjustment Force

The other Western Adjustment men working on St. Louis tornado losses are:

O. R. Ball, G. Bollwerk, S. K. Cain, J. M. Casey, A. T. Fruchte, G. G. Gillespie, J. A. Martin, C. L. Mahagan, J. A. Muckel, W. B. Plummer, R. S. Stratton, R. W. Whitacre, and W. H. Moore,

MODEL ARSON LAW IS AID IN CUTTING WASTE

Underwriters Trace Good Results in Past to Increasing Adoption, Operation of Statute

MORE STATES IN GROUP

Seven Commonwealths Place Act on Books Since Opening of Year—More Will Do So

NEW YORK, Oct. 12.—In assigning causes contributing to the gratifying fire waste reduction of the country this year, underwriters give due credit to the effective model arson law sponsored by the Fire Marshals' Association of North America and actively supported by the National Fire Protection Association and the National Board, all three organizations having lent every effort to securing adoption of the bill and in urging cooperation in its enforcement by state and municipal officials.

Since January 1, last, the model arson law has been placed on the statute books of Alabama, Florida, Indiana, Iowa, Michigan, New Hampshire and Rhode Island, while the previously existing laws of North Carolina and Tennessee have been so amended as to bring them into practical conformity with the statute. Beyond this gratifying result, arson squads have been formed by the police departments of many of the municipalities in the states above named and in others, thereby providing an avenue through which suspected incendiary cases may be promptly and thoroughly investigated.

Many Arson Squads Formed

To this time no less than 200 arson squads have been formed, and others are being organized daily, and to such degree that the prediction is confidently made that before the end of the year no less than 500 cities in various parts of the country will have police officers whose particular duty it will be to trace all suspicious fires and, if the disclosed facts warrant, bring to justice those responsible for them.

That knowledge of the adoption of the new legislation and of the formation of special police squads to insure its enforcement, has had a deterrent

St. Louis; M. W. Collie, Akron; C. A. Smith, Cape Girardeau; A. C. Guy and A. O. Wing, Cincinnati; W. L. Heintz, W. S. Quinn and T. Shugart, Chicago; T. D. Gernerchak, Cleveland; W. R. Snyder, Columbus; C. B. King, Decatur; V. E. Noble and H. L. Haas, Des Moines; H. C. Cunningham, D. C. Girardot and H. F. Johnston, Detroit; M. W. George, Duluth; H. W. Knoblauch, Grand Rapids; F. Pfremmer, G. Davis and C. B. Williams, Jr., Kansas City; J. J. Donahue and E. C. McElvain, Milwaukee; L. L. Rowe, Minneapolis; H. M. Greenberg, Rockford; G. M. Wise, Omaha; B. J. Moore, Saginaw; G. W. McClure, St. Paul; P. E. Nelson, Sioux Falls; E. W. Beutler, South Bend; J. R. Ellis, Toledo; F. H. Klinefelter, Youngstown.

REPORT ON BUILDING LOSS

ST. LOUIS, MO., Oct. 12.—The city building department has completed inspection of buildings in tornado area, reporting 4,000 buildings had been damaged; 707 buildings condemned and 300 additional wrecked structures not condemned probably will be razed. Fifteen hundred additional buildings were damaged seriously.

effect on those inclined to commit arson cannot be gainsaid. With a reduction in the number of incendiary fires has naturally come a diminution in the number of losses on adjoining properties.

Attitude Changes

In the early years it was hard to convince some underwriters of the seriousness of the arson hazard, the prevailing impression being that arson fires constituted but a very small percentage of the total number of fires and the crime would gradually die out. An intensive study of the situation, however, disclosed this belief to be highly erroneous, the percentage of fires the country over traceable to incendiary being close to 30, or almost one-third of the entire fire loss. This result proved as disquieting as it was amazing to underwriters and to business men generally.

To cope with the situation, fire marshals were appointed in a number of the states; an arson department was created by the National Board, and the National Fire Protection Association became keenly and intelligently interested in the problem of eradicating incendiary.

Convictions Were Difficult

It early developed that under the common law of the great majority of the states it was most difficult to secure convictions for arson, and the first effort of those interested in checking the crime was to secure adoption of a statute that not only would make it an indictable offense to burn a building directly, but would hold equally guilty the party accessory to the fact before the fire. Cordial support to the statutory amendments has been given by prosecuting attorneys and police officials, as well as by fire marshals and others. The net result has been a very appreciable diminution in the number of incendiary fires and of those attributable to carelessness little less than criminal.

Questions Adjuster's Views

In a recent issue appeared an article by an adjuster on the subject of endorsing a policy in a case where there are three partners insured and one of them sells out to the other two. It was the conclusion of the adjuster that no endorsement was necessary under the change of ownership clause.

An insurance attorney questions this ruling. He points out that when one partner sells to another there is a change of ownership, no matter what the refinement of argument may be, and declares that such change may be important to the insurer. The one who sells out may be the one on whom the insurance company relies for square dealing. He may have been the active partner in charge of affairs, and in fact there are many suppositions which could make the change of ownership important from an underwriting standpoint. Inasmuch as there is undoubtedly a legal change, this attorney holds that the policy should be endorsed.

Blue Goose in South Africa

Grand Wielder Paul E. Rudd of the Blue Goose, who has been in communication for the past several months with G. A. Leyds, branch manager of the Netherlands at Cape Town, South Africa, relative to the organization of Blue Goose ponds in South Africa, has received word from Mr. Leyds that he is securing prominent fire insurance men there for the Blue Goose and that the first committee meeting is to be held in a short time. From his letter, the fire insurance men there are interested in the formation of a pond at Cape Town, which will be the first outside of the United States and Canada.

Mr. Leyds has also interested Gus E. Simmons, fire and motor car loss assessor and marine adjuster at Johannesburg, in forming a pond in that city.

The July issue of "Insurance, Banking and Finance," one of the leading African insurance journals, published an editorial explaining what the Blue Goose is, and how it has developed, and offers its endorsement to the movement.

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Small Workmen's Compensation Risks

THE address of L. A. DE BLOIS of the safety engineering division of the NATIONAL ASSOCIATION OF CASUALTY & SURETY UNDERWRITERS before the casualty convention at White Sulphur Springs was extremely enlightening in that he dealt with the higher claim ratio on small workmen's compensation risks. Mr. DE BLOIS pointed out that statistics showed that the loss ratio on risks where the premium was \$100 or less was very high. It was high up to the \$400 line. Then it began to show some improvement. The large premium risks presented a much more desirable record.

Mr. DE BLOIS through his system of graphs showed that years of business prosperity bring more accidents. The curve goes down during periods of business depression. This he ascribes to the fact that when prosperity reigns, industry speeds up and runs to the highest pitch. There is less regard for personal safety. There are more men employed and greater pressure is put on.

In case of small plants the owner or superintendent sees but few accidents comparatively. The aggregate based on the payroll exposure is heavy. A small

plant may go for two or three years without an accident. The owner or superintendent therefore is not impressed with accidents as is the man confronted with greater accident frequency. With a large number of employees he sees accidents occurring frequently and therefore his mind is impressed with what is happening. When, therefore, the safety engineer appeals to him to take steps to minimize the number of accidents he is in the mood to act. The small plant man is not, because he feels that accidents are so infrequent that they really amount to nothing.

Mr. DE BLOIS said that half of the industrial activities are conducted in small plants and yet the claim ratio is twice as great. He declared that the breakdown in safety work and lessening accident frequency had taken place in the small concerns. He said therefore that casualty companies writing compensation insurance should direct their attention to the small plant problem. He feels that here is the great field for educational work. The small plant owners must be gotten into an entirely different mental attitude before safety becomes a fact.

Volume Should Not Be the Goal

THE results in the fire insurance field for the last two years again show that the policy of getting volume of premiums and letting the losses take care of themselves is a dangerous one. There have been few if any companies that have succeeded with such a policy. The almost universal experience has been disastrous. When a company seeks quantity rather than quality, thinking that the premium volume will take care of all losses, the experience of years of underwriting is against it. The disastrous results of fire underwriting the last few years go to show that when the throttle is pulled out wide and agents are told to go to it, there must be a reckoning.

Insurance companies cannot defy economic laws and escape the penalty of violation. The paths of experience are pretty well broken. When companies get outside of the beaten track they

come to grief. A few years ago some of the big companies adopted the wide open policy. They had a multitude of followers. Now everybody is running back to the old beaten paths. Millions have been lost in another attempt to try to overcome economic laws but in vain. Those companies that have thought independently and adopted a consistent course have had no disturbance in their relationships with agents and assured. They were not attracted at all by the siren song. When a wide open policy is adopted and a company gets its agents established on the new basis, it requires a long time to return to the well ordered ways. The past few years should be an object lesson to all companies. Regardless of size no company can run counter to the established principles that guide successful business and succeed for long themselves.

PERSONAL SIDE OF THE BUSINESS

Charles L. Handt, a prominent local agent at Fond du Lac, Wis., died last week after several months' illness. Mr. Handt had been active in his local agency up till last May, having been in the business for 43 years and succeeding his father, who established the agency over 75 years ago. Mr. Handt was also active in civic affairs, being in public office for many years.

John F. Boss, manager of the New York branch office of the Continental, died last week. Mr. Boss was one of the oldest men in the business, having been branch manager for the Continental for the past 35 years and connected with the fire insurance business for over 50 years. He began his career as an office boy with the firm of H. C. Gordon, New York city agent, in 1871. Later he became a member of the firm, which then became Gordon & Boss. This later became J. Fred Boss, Inc.

Godfrey C. Huth, Ohio state agent for the Queen, was married last week to Miss Florence Moore Harrison, daughter of Mr. and Mrs. T. E. Harrison of Marion, O. The marriage was performed by Rev. Timothy Lehman of St. John's Church at Columbus, O.

Junius E. West, member of the Suffolk insurance agency of West & Withers, has come out for governor of Virginia. The issue will be settled in the Democratic primary in 1929. He is the first candidate to get into the running for that office. He is now serving his second term as lieutenant-governor, having been first elected to this office in 1921. Previously he served several terms in the senate of Virginia. There is talk in political circles that Colonel John R. Saunders, attorney-general of Virginia, who owns a local agency at Saluda, may be found in the gubernatorial race later on.

Frank Daniel, chief engineer for the Wisconsin Inspection Bureau, is attending the meeting of the Eastern Association of the International Association of Electrical Inspectors, at Springfield, Mass., this week, as a delegate from the Western Association of the International. Mr. Daniel is representing 20 central western states.

John Pender, for many years a prominent insurance agent of Portsmouth, N. H., former mayor, former sheriff of Rockingham county, four times member of the state legislature, for 25 years member of the Portsmouth school board and prominent in business and fraternal circles, died at his home in Portsmouth last week, aged 84 years.

The new Alabama insurance commissioner, George H. Thigpen, figures conspicuously in the newspaper articles regarding the Ku Klux Klan activities in Crenshaw county of that state. James Esdale, grand dragon of the realm of Alabama, and other prominent officials of the organization including Mr. Thigpen elected a klan governor and other state officers. Many of these have been summoned before the grand jury in Crenshaw county by Attorney General McCall, who was elected on the klan ticket but charges that Grand Dragon Esdale and others entered into a conspiracy resulting in numerous floggings in Crenshaw county during the last two years. Insurance Commissioner Thigpen has been summoned as a witness before the grand jury. Mr. Thigpen is grand titan of the klan for the southern province of Alabama.

George R. James, executive special agent of the Republic of Texas, and Lenox Carruth, special agent, seem none the worse for their narrow escape from drowning in Williamson Creek, six miles

south of Austin, Tex., Monday. The two were returning to Dallas from a week's business trip when they were caught on the bridge by the swollen waters of the creek which struck their small coupe and nearly carried it off the bridge. The men climbed on top of the car and clung until a truck of St. Edwards University football players came up and saw their predicament.

Frank E. Milligan of Hinsdale, Ill., who was connected with the reporting department of the Western Adjustment at its head office in Chicago, died from the effects of an appendicitis operation a few days ago. Mr. Milligan before going with the Western Adjustment was associated with the home office of the Chicago Fire & Marine in its loss department.

F. R. Bigelow, Jr., son of the president of the St. Paul Fire & Marine, was killed at San Diego, Cal., Saturday, when a horse he was riding fell with him. The young man was attending a private school near San Diego. He was 17 years old. Mr. Bigelow, Sr., left at once for the west.

John Marshall, Jr., vice-president of the Fireman's Fund, has so far recovered from his recent attack in Chicago as to be able to spend part of each day at the head office. Mr. Marshall journeyed on to his home in San Francisco following his Chicago experience and after a few days' rest found himself strong enough to take on some official duties. He feels now that he is recuperating in good shape, although he still feels the effects of his illness.

William A. Earls of Cincinnati, the well-known local agent, and Mrs. Earls participated in a very important event Wednesday morning of this week when their daughter, Mary Elizabeth, was married at the Church of the Annunciation in Clifton, Cincinnati, to Arthur P. Sullivan, who is in the shoe manufacturing business. A wedding breakfast was served at the commodious Earls home. Mr. and Mrs. Sullivan will reside at Milford, near Cincinnati. Mary Elizabeth Earls is a granddaughter of Thomas E. Gallagher of Chicago, formerly western manager of the Aetna.

NEW STYLE LULLABY

Hush-a-by, baby, pretty one sleep,
Daddy's gone golfing to win the club sweep,
If he plays nicely—I hope that he will—
Mother will show him her dressmaker's bill.

Hush-a-by, baby, safe in your cot,
Daddy's come home and his temper is hot;
Cuddle down closer, baby of mine,
Daddy went round in a hundred and nine.
—W. Lightfoot Bennett, Chicago.

PRICE OF COMPLACENCY

There was a man who had a clock
(His name was Mr. Squeers)
And every day he wound it up
For more than forty years;
But when, at last, an eight-day clock
It was found out to be,
A madder man than Mr. Squeers
You'd never wish to see.

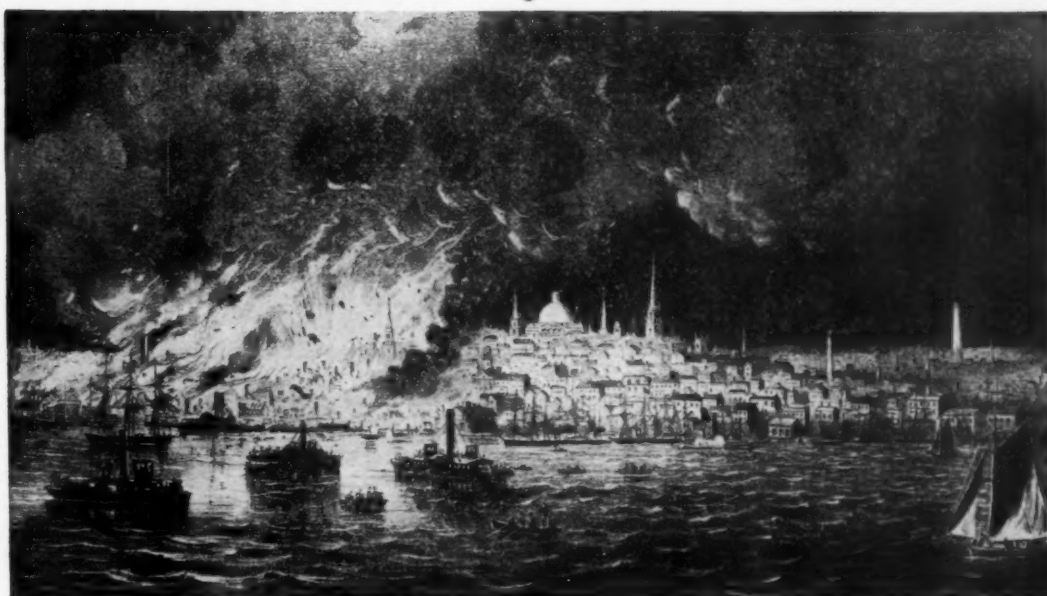
—J. A. Bawden.

Never think of losing,
Think of how you ran;
Smile and shut your teeth, lad—
Take it like a man.

Not the winning counts, lad,
But the winning fair;
Not the losing shames, lad,
But the weak despair.

So when failure stuns you,
Don't forget your plan;
Smile and shut your teeth, lad—
Take it like a man.
—W. Lightfoot Bennett, Chicago.

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SPRINGFIELD, MASS.



From a rare print

Published in 1872 by Currier & Ives

The Great Fire at Boston

NOVEMBER 9TH AND 10, 1872

ALTHOUGH more than half a century has passed since the occurrence of Boston's devastating fire, it still remains as one of the most appalling examples of loss by fire in the history of American underwriting. In magnitude of loss it was surpassed only by the famous Chicago fire of 1871 and because only a year intervened between them, their combined effects staggered the whole insurance world. Seventy-one companies doing business in Massachusetts were rendered insolvent as a result of these two fires, twenty-nine of them being Massachusetts companies.

For the second time in two years the Springfield Fire and Marine Insurance Company again met its appalling losses. But the great misfortune was not without its benefits for its prompt action in meeting both the losses occasioned by the Chicago and Boston fires had inspired confidence to such an extent in the SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY that its policies were in constant demand and its representation eagerly sought by agents.

The disastrous results of fire have long presented a serious problem. When we consider that while the increase in population in the past fifty years has been 150%, that of fire losses has been 630% or what was a loss average of \$19.00 per minute in 1870 is today \$1,066 per minute, we realize that drastic measures must be taken to prevent fires. Because a large percentage of fires can be avoided the National Fire Protection Association has inaugurated Fire Prevention Week. We, too, are ready to co-operate with agents in their fire prevention problems and to assist in making every week Fire Prevention Week.

SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY SPRINGFIELD, MASSACHUSETTS, U. S. A.

GEORGE G. BULKLEY, President

Western Department
HARDING & LININGER, Managers
Chicago

Pacific Department
GEORGE W. DORNIN, Manager
San Francisco

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

WEST VIRGINIA PROSPEROUS

Increase in Premium Income Is Anticipated This Year Because of Unusual Business Activity

CHARLESTON, W. VA., Oct. 12.—The fire insurance business will show some interesting changes when the year's business is totalled. West Virginia has had a prosperous year. Business has been good in all lines and there will be shown a substantial gain in property valuations of all classes. The coal business has been generally good with a promise of exceeding the output of last year. Manufacturers have had a good year along with the general prosperity of the country. Mercantile lines as a whole have shared in the general prosperity. As a result, the total premium receipts will probably be greater this year than ever before.

Small Companies Profit

But the insurance companies, looking upon West Virginia from their own individual ledger accounts, will find a varied situation, due to their respective treatment of West Virginia risks. Some, if not most, of the big companies have eliminated agencies by the hundreds. They have ordered a reduction of risks, taking only a small amount on what was formerly a fat account. Some companies have drawn a ring about certain sections of the state and declared such sections "verboten." Many an agent has been put to it to find enough companies to fill out the insurance requirements of his regular customers. There has resulted an increased business by many small companies. Reciprocals have gained business; mutuals have profited. Certainly the small companies have had about all the business offered them that they should carry. The stamping office reflects this situation by the tremendous increase of papers passing through that office.

Better Municipal Protection

The West Virginia Inspection Bureau has had a busy year. It has gone into many towns and villages and made urgent demands for better fire protection and more fire fighting apparatus. In this respect the situation is steadily improving. The drastic action taken during the past 18 months in the southern tier of counties has finally brought home to municipal governments the absolute necessity of doing something worth while. Fire losses continue to remain heavy in the aggregate. Two major conflagrations earlier in the year

kept up the average but close observers are now hopeful that the end of the calendar year will show the fire loss below the 59.6 of last year.

The moral hazard does not appear to improve very much. Business ethics and business morals are not much better, and may be growing worse. Something like 20 convictions for arson have been obtained in West Virginia courts so far this year. There have been many more fires of suspicious origin. The campaign made this year by the big companies in cutting out so many unprofitable agencies has had a salutary effect. Local agents are becoming convinced that they will have to play safe with their companies and that they will have to survey risks and study moral hazards.

Columbus Was Inspected

COLUMBUS, O., Oct. 12.—During the two days' inspection made by representatives of the fire insurance companies in Columbus last week, 2,490 properties were examined and 1,675 of these were criticized. The number of

defects found is placed at 4,329. This was the first general inspection of fire hazards made in Columbus for eight years, and it was the most thorough ever made. It is estimated that more than 5,000 school children heard Harry K. Rodgers, the "fire clown." School children signed questionnaires and will co-operate in fire prevention wherever possible. Some fault was found with the alleged failure to install fire extinguishers in the new Central High School, which cost \$1,500,000.

Sue for Ohio Licenses

Marsh & McLennan and Johnson & Higgins of Cleveland have brought suit at Columbus, O., against W. C. Safford, state superintendent of insurance, to compel him to license them to do business. The suits were filed in the supreme court and are identical. It is said that Safford refused the licenses on the ground that outsiders owned a majority of the stock.

Ohio Notes

At Lancaster, O., fire destroyed the dairy barn of the Gardner Brothers, the loss being placed at \$20,000. There was insurance of \$18,000.

The city of Columbus, O., will vote next month on a proposal to levy one-third of a mill for the purpose of increasing the salaries of firemen and policemen \$25 a month.

CENTRAL WESTERN STATES

HOLDS AGAINST HAIL MUTUAL

Michigan Supreme Court Decides Its Treatment of Claimant Was Not in Accordance with Law

LANSING, MICH., Oct. 12.—That the purpose of a mutual insurance company is to pay the losses of its members and not to avoid paying them, through technical evasions, is the clearly indicated opinion of the Michigan supreme court voiced in a decision just rendered in the case of Ray Campbell, Jackson county farmer, vs. the Michigan Mutual Hail. Campbell retains a judgment for \$2,504 with interests and costs awarded him in the circuit court.

Ray Campbell, presumably at the suggestion of the Parma agent for the hail mutual, took out \$4,000 insurance on his 100-acre pea crop on June 5, 1923. Just two days later a severe hail storm swept over the farm and caused great damage to the crop. The Parma agent, a Mr. Peckham, and two other neighbors of Campbell saw the field shortly after the storm. Campbell reported the loss promptly to R. A. Garber, secretary of the mutual which had its offices at Lansing, and later informed the president

of the company. The latter took upon himself the duties of adjuster and reported that no damage had been sustained and no liability was entailed.

Campbell, knowing almost certainly that his crop had been damaged and that he had witnesses to prove it, demanded arbitration of the matter. The arbitrators were named and a date was set for their visit to the Campbell farm. But on the day in question, only one of the arbitrators went directly to the farm, the other two going to Parma where they conferred at length with the president, secretary and agent of the mutual and agreed, it was later admitted by one of them, that there was no loss, although they had never seen the crop up to that time. Later, however, they did go to the farm and perfunctorily viewed the pea field. The arbitrators reported no loss had been sustained. Thereupon Campbell brought suit in chancery in Jackson county circuit court. He asked that the arbitrators' award be invalidated as fraudulent and that the court decide the amount of recovery due.

Claimant Is Upheld

The trial court is upheld in every particular in the supreme court's findings. It is pointed out first that only the sig-

nature on the policy application was written in by Campbell, all the rest of the entries being made by the agent. Examination of the policy, the decision says, shows the company's business to have been divided into three classes, general farm crops, fruit and garden truck. The decision quotes the policy provision which it is claimed brought about a violation of the statute under which the mutual was organized: "Each class shall be assessed for losses occurring within its respective class only." This clause, it is held, divided the company into three separate mutual companies under one management but without sufficient assets for each class to meet the requirements of the law. The policy also set a \$100 an acre limit of recovery on garden truck policies. Section 8 of the by-laws which enter into the contract also is quoted as stating: "Assessments shall not exceed 3 percent in any one year. If the losses exceed 3 percent they shall be paid pro rata and such payment shall be received and accepted by the assured in full satisfaction of all claims." The policy section under which the mutual management held the arbitrators' award to be invalid and not subject to court procedure said: "After taking in all of the evidence . . . the board of arbitration shall render and award and the decision of such award shall be final and binding on both parties and no suit at law or equity shall be commenced . . . to retry or rehear such matter."

The decision holds that no actual arbitration ever took place in the case and that, therefore, the lower court had a perfect right to set aside the "award" as fraudulent. At the most, it is declared, the "arbitrators" acted the roles of appraisers, ignoring all of the customary procedure of true arbitration. The decision says: "The award was not only constructively fraudulent under the facts shown but in violation of the defendant's own by-laws."

Make Insurance Day Plans

Howe S. Landers of Landers & Landers, Indiana branch managers of the Metropolitan Casualty, is general chairman of Indiana Insurance Day, which will be held Jan. 24 at the Claypool Hotel in Indianapolis and has announced strong committees for the event. They are veterans in this experience and most of them have had pretty close contact with the details of the four previous conventions.

William L. Leonard is chairman of the speakers committee; Robert E. Throckmorton, chairman of the registration committee; Fred Robertson, chairman of publicity, and C. F. Merrill, chairman of entertainment. Joseph W. Stickney, as president of the Insurance Federation of Indiana, Hugh E. Reynolds, secretary of the Federation, and C. C. Duck, its treasurer, will also be members of the body in charge of the affair.

Hold Golf Tournament

INDIANAPOLIS, Oct. 12.—About 60 entered the annual golf tournament of the Indiana Blue Goose held at the Meridian Hills Country Club north of Indianapolis on Monday of this week. Some

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JOHN KAY, Vice President and Treasurer

A. H. HASSINGER, Vice President and Secretary

WELLS T. BASSETT, Vice President and Secretary

JANUARY 1ST, 1927, STATEMENTS

ORGANIZED 1855 FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

ASSETS	LIABILITIES	CAPITAL	NET SURPLUS	SURPLUS POLICYHOLDERS
\$27,602,649.57	\$17,796,927.66	\$5,000,000.00	\$4,805,721.91	\$9,805,721.91

ORGANIZED 1853 THE GIRARD F. & M. INSURANCE CO. OF PHILADELPHIA, PA.

\$5,648,862.17	\$2,938,563.59	\$1,000,000.00	\$1,710,298.58	\$2,710,298.58
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ORGANIZED 1854 MECHANICS INSURANCE CO. OF PHILADELPHIA, PA.

\$4,452,703.00	\$2,748,734.22	\$600,000.00	\$1,103,968.78	\$1,703,968.78
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ORGANIZED 1866 NATIONAL-BEN FRANKLIN FIRE INS. CO. OF PITTSBURGH, PA.

\$4,725,350.94	\$2,702,814.94	\$1,000,000.00	\$1,022,536.00	\$2,022,536.00
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ORGANIZED 1871 SUPERIOR FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$4,600,981.46	\$2,598,996.65	\$1,000,000.00	\$1,001,984.81	\$2,001,984.81
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ORGANIZED 1870 CONCORDIA FIRE INSURANCE CO. OF MILWAUKEE, WIS.

\$5,261,240.09	\$2,942,034.49	\$1,000,000.00	\$1,319,205.60	\$2,319,205.60
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ORGANIZED 1886 CAPITAL FIRE INSURANCE CO. OF CONCORD, N. H.

\$724,764.95	\$733.34	\$300,000.00	\$424,031.61	\$724,031.61
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TOTAL ASSETS
\$53,016,552.18

TOTAL LIABILITIES
\$31,728,804.89

TOTAL NET PREMIUMS
\$25,001,307.09

PHILADELPHIA, PA.
CHICAGO, ILLINOIS
Western Department
844 Rush Street
H. A. CLARK, Manager

CONCORD, N. H. MILWAUKEE, WIS.
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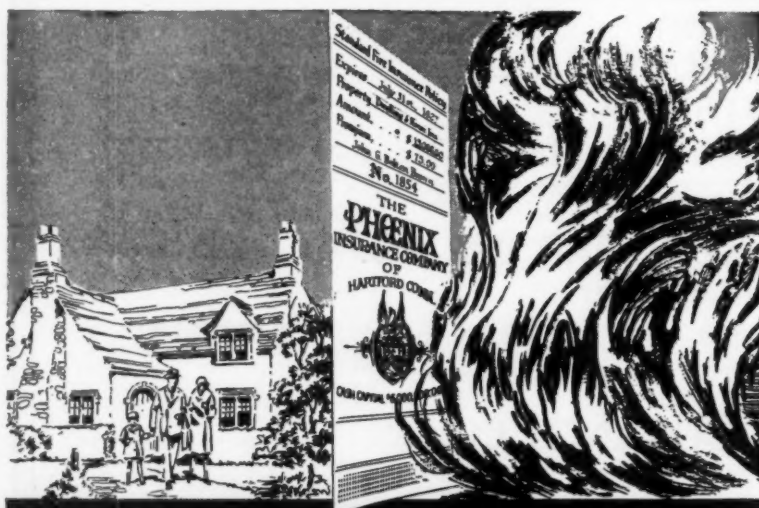
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THE PHOENIX INSURANCE COMPANY
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HOTEL FORT SHELBY LAFAYETTE AND FIRST DETROIT

Whether your choice be one of the many very comfortable rooms at \$2.50, \$3 or \$4 or one of the richly furnished suites in the 22-story recent addition, whose sunny bay windows give an entrancing view of city, river and Canadian shore, you will enjoy a special sense of value in Hotel Fort Shelby.



All rooms have Servidors. Convenient to all downtown; principal shops almost at the door. Garage in connection; cars delivered without service charge. Excellent facilities for conventions.

Brochure on request.

excellent scores were turned in but the announcement of winners will not be made until the meeting to be held next Monday evening at the Columbia Club in Indianapolis at which will also be initiated a good sized class of goslings.

Illinois Notes

S. F. Denne of Gibson City, Ill., has

purchased the L. R. Williamson Insurance Agency of that city. Mr. Williamson will continue with the agency as a solicitor.

Michigan Notes

C. L. Fratcher & Co., local agency at Lansing, Mich., has recently taken over the agencies of the late Allen W. Ferle and J. M. Johnson.

STATES OF THE NORTHWEST

STILLS FOUND A FIRE FACTOR

Growing Importance Shown in Annual Report of Wisconsin Fire Marshal

MADISON, WIS., Oct. 12.—Stills are beginning to figure as fire hazards in buildings, according to the report of the Wisconsin state fire marshal's office for 1926, and during the year five such fires were reported with damage of \$3,180 to buildings insured for \$228,150. One of the most serious hazards continues to be defective chimneys, furnaces, fireplaces, and stoves, and about \$2,000,000 of the \$8,350,000 loss last year is traceable to this source. Most losses were on dwellings and during the year 1,493 dwellings were wholly or partially burned with a loss of \$2,307,000. Factories come next with 114 fires and \$1,101,000 loss.

Matches are still the cause for a number of fires. Adults with matches started 47 fires and burned up \$76,500 last year; children burned up \$36,800 in property in 53 fires; mice burned up \$38,400 in 16 fires. Careless smokers started 179 blazes and destroyed property worth \$165,500.

The use of gas and gas propelled machinery has opened quite a wide fire hazard. Backfire caused 25 fires with a loss of \$204,000; sparks from gas engines were the cause of 7 fires with \$7,000 loss. There were 16 gas explosions, 7 gas heater explosions, 8 gasoline stove explosions, 46 gasoline explosions, 10 gasoline engine explosions, and 6 gas plate explosions, which totaled a loss of \$178,500. Explosions of kerosene in storage or in stoves, lanterns, and lamps started 92 fires and burned up property worth \$170,500.

Electrical appliances were the cause of fires which destroyed \$50,000 worth of property, and, in addition, 14 motors caused fires with \$28,000 loss, and there were 176 fires charged to defective wiring, the loss aggregating \$793,000. Fires starting from spontaneous combustion numbered 138 and it cost \$811,000 to have them. Tramps burned up \$21,000 in seven fires. Fireworks caused but 11 fires with a loss of \$16,490.

Rural communities suffer the most serious losses through fire, due, it is said, because they do not insure fully. Relative conditions are shown in a contrast between Adams county, practically all rural, and Milwaukee county which is nearly all urban. Adams county in 1926 had 22 fires with damage amounting to \$33,980 to buildings valued at \$42,117 and insured for \$18,130. In the same year, Milwaukee county had 649 fires with damage amounting to \$1,352,432 to buildings valued at \$65,694,673, and insured for \$61,911,603.

Use Fire Prevention Posters

ST. PAUL, Oct. 12.—Huge posters placed at 150 strategic positions over the state was the contribution of the Minnesota Insurance department to Fire Prevention Week. In addition to these there were thousands of small posters distributed at schools and other public places calling attention to the need of fire prevention. Commissioner Wells is taking an active part in the campaign and called on citizens generally to join the movement to cut the annual fire loss of Minnesota amounting to \$9,000,000.

Commissioner Wells reported that inspection work for this year throughout the state has been completed. He said good results had been obtained in reducing fire hazards.

WILL NOT CARRY CASE UP

Commissioner Olsness of North Dakota Sees no Reason for Appealing the Separation Decision

Insurance Commissioner S. A. Olsness of North Dakota states that the separation case decided against the state in its suit brought during the separation campaign started by the Western Union will not be appealed to the higher court. The United States Court of Appeals has entered a final decree in North Dakota enjoining Commissioner Olsness from enforcing the law passed at the recent session of the legislature which prohibited a fire company from taking up an agency because companies of another complexion were represented in the same office. When Union companies started to bring about separation in North Dakota, Commissioner Olsness threatened to revoke licenses. Action was brought to enjoin him and the courts upheld the Union companies.

MINNESOTA PROGRAM GIVEN

Schedule of Events for the Local Agents' Association and State Insurance Federation

The detailed program for the annual meetings of the Minnesota Insurance Federation and the Minnesota Association of Insurance Agents, to be held in Duluth Thursday and Friday of this week, is announced. Mrs. Anna Colman, a member of the Duluth Underwriters' Association, will be in charge of the entertainment for the ladies. There will be a tea Thursday afternoon at the Duluth Women's Club, an automobile ride Friday morning; luncheon Friday noon at the Glass Block tea rooms, a theatre party at the Lyceum Friday afternoon. The Duluth committee on arrangements consists of E. B. Dunning, chairman; Edward C. Huhnke and E. M. Henselman. The program is as follows:

Thursday, Oct. 13—Morning

Registration at headquarters, Hotel Duluth.

10 a. m.—"Get Together" meeting of Federation and Association, Hotel Duluth Assembly Room. Alexander Campbell, Chairman Executive Committee, presiding.

Welcome to Duluth, Dr. W. A. Coveny, President Duluth Chamber of Commerce.

Response, F. H. Wagner, Minneapolis. Announcement of Committees.

Address by W. I. Nolan, Lieutenant-Governor of Minnesota.

12:30 noon—Informal luncheon, Hotel Duluth.

Thursday, Oct. 13—Afternoon

2 p. m.—Annual Meeting Insurance Federation of Minnesota. George W. Newbert, President, Mora, presiding.

Address by John T. Hutchinson, Detroit, Secretary Insurance Federation of America.

Address by Chas. N. Orr, St. Paul, Chairman Minnesota Senate Committee on Insurance.

Report of President.

Report of Secretary and Treasurer.

Report of Committee on Legislation.

Reports from Vice-Presidents.

New Business.

Election of Officers.

Report of Committee on Resolutions.

Adjournment.

Thursday, Oct. 13—Evening

Annual banquet, entertainment and dance of the Duluth Underwriters' Association.

clation, in honor of those in attendance at the annual meetings.

Friday, Oct. 14—Morning

10 a. m.—Annual Meeting Minnesota Association of Insurance Agents. W. N. Niskern, President, St. Cloud, presiding. Address by D. J. O'Keefe, Fort Wayne, Indiana, officially representing the National Association of Insurance Agents. Mr. O'Keefe is chairman of the casualty and surety committee of the National association.

Address by Francis A. Markoe of the United States Chamber of Commerce, on the work of the insurance division of that organization.

Report of President.

Report of Secretary and Treasurer.

Round Table Discussion—"Branch Offices and Non-Recording Agents." Led by P. H. Ware, Minneapolis.

12:30 noon—Informal luncheon, Hotel Duluth.

2 p. m., Friday, Oct. 14

Round Table Discussion—"Methods to Increase State and Local Association Membership." Led by R. B. Nienhauser, St. Paul.

Round Table Discussion—"Minimum Premium and Prohibited Risks in Compensation Insurance." Led by F. C. Esterly, Minneapolis.

Question box for discussion of topics not on program.

New Business.

Election of Officers.

Report of Resolutions Committee.

Adjournment.

ANTICIPATE HAIL LEGISLATION

Continued Poor Showing of South Dakota Fund Expected to Bring This Up

PIERRE, S. D., Oct. 12.—If the experience of the present year on the final figures, and that of next year is not different from the experience of the past six years, the state hail insurance law of South Dakota is likely to have a hard road in the legislative session of 1929. Since the hail insurance law of the state was enacted in 1919, the total premium receipts have been \$8,399,930, and the total losses paid have been \$8,298,355, or a net favorable showing of a shade over \$100,000.

This has been made possible only for the reason that the first year of the existence of the law showed a net balance of \$1,163,885, and the six following years have pared that surplus down to close to \$100,000. The state hail department is yet in doubt as to just what the showing of the present year will be, hoping that it will show a net balance, but cannot say that this will be the result until all the claims have been closed up, with a possibility that the present year will wipe out the existing favorable showing.

While the law has been able to withstand the legislative attacks launched in different sessions, it has only been for the fact that the general idea prevails that the law has kept down hail insurance premium rates. As a profitable feature of the state administration it has been a decided failure except for the first year when nature smiled upon the state and hail storms did not take the toll which they have been claiming since that time.

Must Pay on Jewelry Loss

ST. PAUL, Oct. 12.—Insurance companies must pay \$18,285 for losses incurred by the Kaufman Jewelry Company in a fire that occurred in March, 1924. The companies refused to accept the award made by arbitration and the case was carried into the court. The claims were approved by the district court.

Plan Better Fireboat Protection

MILWAUKEE, Oct. 12.—The Milwaukee fire department is investigating the probable cost of a special pumping system with a series of standpipes running from the Kinnickinnic river basin to points in the territory served by the fire boat stationed there. This is being done under the direction of Chief Peter Steinkellner with a view to saving the city the cost of a new fire boat. The chief believes that four boats are necessary to properly protect the downtown area

because no less than three must be ready for service at all times, allowing one to be overhauled at times without crippling the force. He also believes that the cost of the standpipe system will be considerably less than the \$116,820 required to maintain the fire boat stationed at the Kinnickinnic docks the last three years. Decreased operating costs will pay for the improvement in three or four years.

Fire Patrols Report

MILWAUKEE, WIS., Oct. 12.—The monthly report for the three fire patrols of the Milwaukee Board states that they were in service 99 hours and covered 367 miles during that time. The patrols answered 128 alarms of the total of 218 turned into the city fire department and spread 536 stock covers and 35 roof covers.

Warns of Radio Fires

MILWAUKEE, WIS., Oct. 12.—The farmer is now looked upon as the greatest potential field ahead of the radio dealer but farms are considered poor risks by insurance underwriters, and with additional hazards made possible by radio they would be still poorer risks, Frank Daniel, chief engineer for the Wisconsin Inspection Bureau, told the Wisconsin Radio Trades association at its annual convention in Milwaukee last week. He pleaded with the radio men to sell the farmers on high quality radio merchandise and equipment, thus selling safety and keeping the farm risk at least on the present status instead of making it go down lower. He told the radio men to see that the radio equipment is properly installed to conform with the National Electrical code and the Wisconsin code, on farms as well as on city dwellings.

Warning on Non-Admitted Carriers

PIERRE, S. D., Oct. 12.—Commissioner Lewis is calling attention of insureds in the state as to the activities of non-admitted companies. He finds that such companies are writing fire and tornado, life and accident and health insurance.

He shows that the fire and tornado business is generally written through some retail dealers associations which have members within the state and calls attention of the members of such association that under the provisions of Section 9159 of the Revised Code, which makes writing of insurance in unauthorized companies and failing to pay the insurance taxes, a misdemeanor punishable by fine and imprisonment or both. He states that this class of business is either solicited through mail, or is obtained by personal solicitation at the conventions of the various associations.

Returned to Illinois

Geo. Merrian, formerly with the Sioux Falls branch of the Western Adjustment, has returned to his home at Woodstock, Ill., due to the illness of his mother.

Big Loss at Bemidji

The Bemidji, Minn., hardware company, owned by W. Z. Vandersluis, reported a loss of \$100,000 as a result of a fire which destroyed building and stock on Oct. 6. An explosion of unknown origin spread the flames to every part of the building.

Wisconsin Notes

Ray J. Rebhan of the August Rebhan Co., Milwaukee, has returned from Atlantic City and New York where he was the guest of the officers of the Royal Indemnity.

J. A. Fleckenstein, vice-president and secretary of the American Founders Fire of Milwaukee, has been appointed general agent in Milwaukee county for the Cincinnati Underwriters of the Eureka Security Fire & Marine.

William Casper, manager of the Western Adjustment at Milwaukee, received a scare last week, when a window cleaner dropped 55 feet from the building the company is located in, and died later from the injuries. At the time of his fall, the window cleaner was working on a window outside of Mr. Casper's office.

Minnesota Notes

The Minnesota Blue Goose has resumed its weekly luncheons, the first being held Monday, Oct. 10.

F. A. Nienhauser, father of R. M. Nienhauser, vice-president of R. M. Neeley & Co., died at his home in St. Paul Sunday.



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IT IS extremely embarrassing to slip or trip and go sprawling on the floor, and such an accident may prove mighty expensive for someone. It cost one storekeeper \$7,500 recently to settle a damage claim growing out of just such an incident. Of course, accidents like this, and thousands of others too, are not confined to retail stores and that is why the market for public liability insurance is so extensive. No property owner, merchant or manufacturer should be without it. Every time an employer carries workmen's compensation insurance because it is compulsory and fails to carry public liability insurance, it is a serious reflection on the salesmanship ability of the agent.

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I.N.SURE'S OBSERVATIONS

Organization Wins

One of our best known and influential American business men recently died. All of the country knew Judge Gary well and regretted his passing. As the head of the United States Steel Corporation, he piloted this organization through years of unprecedented business expansion. The secret of Judge Gary's success was his ability as an organizer.

Those of us who are engaged in the selling of Insurance have, because of being so busily engaged, overlooked the importance of organization. Insurance Agencies many times grope along with a pitiful absence of organization of any kind—haphazard business methods exist, man power is poorly chosen and the whole result is simply nothing.

If we hope to grow great, we must give a thought to this business of organization, especially as concerns standardized ways for doing business and rendering service and the selection and development of man power.

"Truth crushed to earth shall rise again:
Th' eternal years of God are hers:
But Error, wounded, writhes in pain
And dies among his worshippers."

(Bryant—The Battle Field)

It is as difficult to permanently hide the truth as it is to hide an elephant. Those who would mask an error for a truth and dispose of it to those whose confidence they have inspired must some day have a reckoning.

Every insurance agent knows what good insurance is; there is no substitute for it. Substitutes are not insurance, but a lie. Cut-rate insurance sellers must some day face the truth—and the truth will hurt.

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State College at Ames in order that the largest returns may be achieved from the efforts expended. The short course is not only for volunteer firemen, but organized salaried companies in the cities are invited to delegate certain of their number to participate in the study of methods in order that the information gained may be passed on to the members remaining at home on duty.

Open New Adjustment Office

DES MOINES, IA., Oct. 12.—The Central Adjustment Company has opened offices in Des Moines for the benefit of insurance companies only. Prompt and efficient service on fire, windstorm, automobile and allied claims in Des Moines and throughout the state will be given. The organizers of the new concern are C. M. Faden and G. A. Mounce, both old and experienced insurance men. Mr. Faden was recently connected with the Southwestern Adjustment Company of Dallas, Tex., and formerly special agent and adjuster for the Great American in Iowa. Mr. Mounce has been connected with the Western Adjustment, working out of the Sioux City office.

No Passes for Insurance Men

LINCOLN, NEB., Oct. 12.—An amicable settlement of the trouble with the state railway commission that the Burlington railroad got into when the latter found it was giving free passes to insurance company men making trips over its lines to inspect company risks has been effected by the company agreeing to at once cancel and to withhold all such passes for the future. The commission said it was a violation of that portion of the law that prohibited free transportation being issued to anyone not devoting more than half his time to rail business. The inspectors will pay their fare and put it into their expense account and collect it back later from the railroads.

Emerson, Neb., Seeks Rate Reduction

EMERSON, NEB., Oct. 12.—An organized effort under the leadership of the chamber of commerce is to be made to secure a reduction in fire insurance rates. A committee has been named to gather figures of company experience, together with data with respect to water

supply and fire equipment, the plan being to present the matter to the state authorities if the companies are unconvinced that lower rates should be put in on local risks.

Blue Goose Luncheon

DES MOINES, Oct. 12.—At the weekly Blue Goose luncheon, Monday noon, Sidney Dillon, attorney of the firm of Sampson & Dillon, was the speaker and he gave an interesting exposition of a number of mooted insurance problems. Most Loyal Gander Osler stated that he would appoint a committee of representative field men to confer with the local organization of insurance underwriters in order that certain conflicting interests might be ironed out which will be profitable to both organizations. The activities of the Iowa Fire Prevention Association were discussed and an urgent request was made for a full turn out at the approaching inspection at Muscatine. It was announced that T. Alfred Fleming, well known in fire insurance circles, would be in the state from Oct. 24-29.

Honor Retiring Chief

KANSAS CITY, MO., Oct. 12.—The Insurance Agents Association of Kansas City honored Chief Alex Henderson, who retired as fire chief of Kansas City in September after 53 years of service, with a dinner on October 9 at the Kansas City Athletic Club. Mr. Henderson was made fire prevention inspector of Kansas City at the time of his retirement as chief of the fire department.

Kansas City Losses Reduced

KANSAS CITY, MO., Oct. 12.—The September fire report of the Kansas City fire department shows that the losses during the month were \$63,383 as compared with \$99,542 during last September. The total estimated fire loss during the first nine months of this year are \$1,085,924, as compared with \$1,408,165 for the first nine months of 1926. The total number of fires so far this year number 2,184, against 2,991 for the first nine months of last year.

Fire of undetermined origin did damage estimated at \$40,000 last week to the plant of the Belleville Enameling and Stamping Company in St. Louis.

City has worked hardship on the companies, experience shows that it has been most beneficial in preventing high loss ratios and questionable losses, according to Fred C. Clarke, state agent for the Aetna Fire.

Have Extensive Program

OKLAHOMA CITY, Oct. 12.—Two tons of literature were distributed by the Oklahoma Fire Prevention Association to schools and school children of the state, in preparation for Fire Prevention Week, according to James A. Atkinson, secretary. Speakers from the association have been detailed to speak at schools of the state and before civic clubs, which with the program to be presented at every school in Oklahoma and the tremendous amount of literature constitutes the finest and most extensive educational program ever presented by this organization. Five hundred thousand home inspection blanks are included in the pamphlets distributed. A lecture on inspection will be given before the Oklahoma City Pond of Blue Goose next Monday as a farewell gun in the campaign.

Blue Goose Luncheons Popular

OKLAHOMA CITY, Oct. 12.—Attendance at the regular weekly meetings of Oklahoma City Blue Goose is averaging much better than for several years, according to T. Ray Phillips, secretary. All fall members have been coming to the meetings and much more enthusiasm and interest are apparent. At the Oct. 17

meeting eight past most loyal ganders are to be formally jeweled.

Texas Blue Goose Appointments

DALLAS, Oct. 12.—Committee chairmen for the Texas Blue Goose have been named by Most Loyal Gander Stebbins as follows: Charity, Charles R. Bullock; entertainment, Carl M. Hunt; membership, Vance D. Hoffmaster; publicity, S. W. Inghis; luncheons, P. M. Marshall; sick visitation, Julian Speed; reclamation, Wirt Leake.

The past year the membership of the pond showed a decrease of 14, but this loss is expected to be picked up with the initiations now under consideration.

Texas Notes

The La Salle Fire of New Orleans has been licensed in Texas.

The California Highway Indemnity Exchange has been licensed in Texas.

Stroter & Peterson is the newest insurance agency at Dallas. The firm is composed of E. F. Stroter and I. L. Peterson.

Fire destroyed Mallory Brothers Warehouse at Mineola, Tex., Saturday night, with loss of more than \$20,000, and less than full insurance coverage.

Four business buildings on the east side of the square at Jasper, Tex., burned Friday with loss of \$50,000, with only partial insurance coverage.

Burkburnett, Tex., has been notified that the key rate has been reduced four cents, effective Oct. 1, by reason of the city's adding a number of extra firemen to its regular department.

IN THE SOUTHERN STATES

GATHER MATERIAL ON RATES

Investigating Body of Virginia Legislature Is Shaping Up Report on Fire Insurance

According to Dr. J. A. C. Chandler, chairman of the Virginia legislative rate-probing commission which met this week at Williamsburg to tackle the task of studying and digesting the transcript of the testimony taken at several public hearings during the past spring and summer, it may be some time in November before the commission will be in a position to formulate its report on fire rates, which are receiving first consideration. One or two more meetings will have to be held in the meantime, he says. He thinks it possible that the commission will be able to draft a report on workmen's compensation rates, too, before the convening of the legislature in January. More time will be asked, he says, to pursue the inquiry into other casualty rates. The crux of the situation with regard to fire rates, as he views it from the data in hand, is the question of whether unearned premiums shall be credited to the investment side of the ledger or the underwriting profit side. In his opinion, it will always be difficult for the companies to show an underwriting profit so long as that class of premiums is credited to investments.

Plan Many Town Inspections

The Kentucky Fire Prevention Association has recently sent out a bright red card, calling attention to a tentative list of town inspections to be made between now and next July. Central City and Greenville are to be inspected in October; Georgetown in November; Frankfort in December; Irvine and Richmond in January; Somerset in February; Franklin in March; Glasgow in April; Lancaster in May; and Corbin in June. Central City will be inspected on Wednesday of next week and Greenville the following day.

Loss Situation Improved

Good rains and colder weather have resulted in fewer fires than in September, when a long drouth resulted in the country being bone dry. Fire losses have been running light in Kentucky as well as southern Indiana, there being a few small scattered losses, but not many of any importance.

PLANS FOR ANNUAL MEETING

Tennessee Association of Insurance Agents Arranges a Fine Program for the Knoxville Convention

NASHVILLE, TENN., Oct. 12.—The officers of the Tennessee Association of Insurance Agents are anticipating a very successful annual meeting at Knoxville, Nov. 17-18. R. P. Barbour, United States manager of the Northern Assurance, will be the principal fire insurance executive on the program, while F. P. Stanley, vice-president and general manager of the Glens Falls Indemnity, will be the leading casualty executive to speak. The annual dinner will be held the first evening of the convention at Whittle Springs. A. S. Caldwell, insurance commissioner of Tennessee and president of the National Convention of Insurance Commissioners will be a speaker. Mr. Caldwell is held in high esteem by the local agents of this state. The Tennessee Association of Insurance Agents was pleased with the proclamation of H. H. Horton, the new governor of Tennessee, establishing fire prevention week observance. He succeeded the late Governor Austin Peay. One of his first proclamations pertained to fire prevention week.

Adjust Kentucky Mine Loss

Fire in late September, at the Sunlight strip mines, Sunlight, Ky., of the Norton Coal Mining Company, destroying tipples, machine shop, blacksmith shop and other buildings, has been adjusted at \$57,500.

Annual Meeting Held

The annual meeting of the Louisiana Rating & Fire Prevention Bureau was held in New Orleans Wednesday of this week.

Plan Series of Meetings

LOUISVILLE, KY., Oct. 12.—Franklin MacPherson, head of the Kentucky Blue Goose, is endeavoring to make the monthly luncheon meetings of the organization somewhat more interesting than they have been in the past. Under a new plan he is arranging to have some prominent speaker present at every meeting, these speakers for the most part coming from outside of the insurance industry, thus being able to give the members new ideas and new slants on business conditions. M. A. Erskine, district manager of the Southern Bell Telephone & Telegraph Co., who is

STATES OF THE SOUTHWEST

REPORT ON TEXAS CITY LOSS

Investigation of Recent \$500,000 Fire Brings to Light Some Interesting Facts for Companies

Investigation of the \$500,000 fire at Texas City, Tex., Aug. 28, has brought to light some facts which will be of interest to the companies involved.

With values of nearly \$4,000,000, exclusive of stock, covered by schedule insurance of \$1,850,000, all carried by brokers; with part of the plant operated continuously and eight watchmen on duty at nights, making hourly rounds to the 38 stations, all fully aware of the danger of grass fires, the fire was not discovered until it had gained good headway. An hour earlier, a separate and unconnected grass fire had been discovered and extinguished and an additional watchman set to guard the hazard near the open compress. Temporary hose was laid outside of the buildings for quick use, but due consideration was not given to the prompt removal of the dried grass.

Warehouse B, being of frame construction without proper fire walls, and a slight wind blowing, aided the fire's progress so that a total loss was the inevitable result. The inside fire hydrants broke off in almost every instance and entailed a large loss of water and there is no outside cut-off valve to the line supplying the inside connections at the risk; however, there being an ample supply of water, this factor was not serious.

Sixty-five bales of cotton, a carload of lumber, a number of cases of refinery machinery, dunnage skids and trucks were stored in the warehouse at the time of the fire, the total stock being

low, but all of it was lost. The Texas City fire department's two auto pumps, manned by volunteer firemen, arrived promptly, but their apparatus went out of commission and the Galveston department, arriving in the record time of 12 minutes, fought the fire for three hours, aided by brigades with casks and pails which fought the incipient fires started by blowing brands and grass fires so the grain elevator was saved from serious damage.

Small Twister in Oklahoma

Sixteen persons were injured and the communities of Quinton and Whitefield, in eastern Oklahoma lost many houses entire and sustained damages to the others, in the twister which traversed that sector of Oklahoma Saturday night.

Agency Rearranges Field

The Dallas general agency of Floyd West & Co. has entered the Mercury, running mate of the Saint Paul Fire & Marine, for Texas, to be supervised from the Dallas office. The general agency has arranged its field and, with the appointment of Tom Duffy McAfee as special agent for the Panhandle, with headquarters at Amarillo, Tex., now has four special agents in Texas. Territory has been rearranged and B. A. Gilbert, formerly in the Panhandle section, now has southwest Texas, with headquarters at San Antonio. Melvin George, who has been in charge of the casualty department since the agency's organization, resigned on Oct. 1 and A. B. Martin, who has been in charge of the claims department, will take over the management of the casualty department.

Upholds Three-Fourths Value Clause

OKLAHOMA CITY, Oct. 12.—While there are many who contend that the three-fourths value clause in Oklahoma

well posted on business development statistics, has been selected as the speaker for the next meeting of the organization.

Improving Fire Protection

LOUISVILLE, Oct. 12.—Fire Chief McHugh of Louisville, in a report to the Board of Safety, on Oct. 10, stated that when he took charge of the department on June 27, a total of 56 fire hydrants in the city were out of commission and had not been repaired. Since then hydrants have been repaired, general equipment improved and additional motor equipment ordered. The new chief has had tough sledding as a result of the change in administration resulting in wholesale desertions, in one case an entire company quitting its fire house in the middle of the night and leaving sections unprotected. Most of the men who have left the department have been replaced with men of from five to thirty-five years experience, under the previous administrations.

Kentucky Notes

H. Lee Upton, state agent in Kentucky for the Home of New York, has returned to Louisville after spending a week at the New York office.

R. L. Hawes, of the R. L. Hawes & Co. agency at Louisville, and Mrs.

Hawes, along with Judge and Mrs. Huston Quin, left last week for a motor trip through the Rockies, and to Houston, Tex., where they will attend the American Bankers Convention.

West Virginia Notes

Grand Keeper Henry L. Rose of Baltimore represented the grand nest of the Blue Goose at the initiation and banquet of West Virginia at Wheeling Oct. 11.

Fire destroyed practically all of the Greenbrier Tannery at Marlinton, W. Va., owned by the United States Leather Company. The plant was old and well prepared for a quick fire which the local fire fighters could not check. The buildings were insured for a reasonable coverage.

New York Indemnity Appointments

The New York Indemnity announces the appointment of the following general agents: A. S. Feitelberg & Co., Mt. Vernon, N. Y., for casualty business, Eastern Underwriters Agency, New York, for surety business; Southern Underwriters, Charleston, W. Va., for both casualty and surety.

ON THE PACIFIC COAST

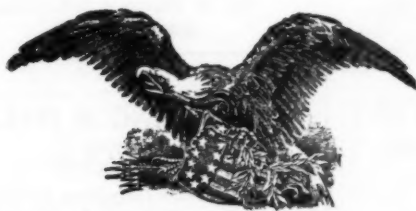
PLAN CALIFORNIA CONVENTION

Many Matters of Importance to Come Before State Gathering of Agents

SAN FRANCISCO, Oct. 12.—Both agency and more technical problems of fire and casualty insurance are slated to dominate the forthcoming convention of the California Association of Insurance Agents in Sacramento Nov. 3-5, according to the tentative program just released. The outstanding topics under this classification are discussions on financial institutions as insurance agents, non-recording and branch office agents'

commissions, theory and practice of schedule rating and farm rates. The latter subject has been a question recently partly settled by a joint committee of the agents and the Pacific Board. The discussion on financial institutions as insurance agents has been greatly agitated in California during recent weeks by the program of the Bank of Italy to go into the local agency business through its 283 branch banks in the state.

The convention will formally be opened Thursday afternoon, Nov. 3, the morning being given up to committee meetings and a golf tournament between members of the Blue Goose and the local agents. A. A. Chrisler of Sacramento has charge of the sports program of the convention, while W. E.



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SEATTLE

Bristol will handle all other entertainment features.

On the first evening there will be a theatre party for those who are not members of the Blue Goose, the company organization devoting the night to a ceremonial which is to be staged at Elks Temple.

Friday will be the day of the educational, technical and general topic papers and discussions, the heavier agency questions being held over until Saturday. The annual dinner will be held on the latter evening.

Among the other papers and discussions on the program are "Automatic Cancellation of Insurance Policies," "Agency Advertising," "How to Collect Premiums Promptly," "The National Automobile Club," "The Suppression of Arson," and prize talks on the functions of a local board and on selling.

H. J. Thielen, president of the California Association, will open the convention on Thursday afternoon with a brief address on the objects the meeting will attempt to accomplish during the three days. His annual address, which will be made later in the day, will emphasize the present agency conditions in California as observed by him during his tenure of office.

B. A. SIFFORD VISITS IN EAST

Pacific Coast Manager of Security of New Haven Group Attends Meeting of Bureau

Benton A. Sifford, manager of the Pacific coast department of the Security of New Haven group, together with Mrs. Sifford, attended the recent semi-annual meeting of the Bureau at Briar Cliff, N. Y., having made the journey from San Francisco as far as Rockford, Ill., via the Canadian Rockies. After a short stay at the western department offices of the companies, as guests of Vice-President Walter D. Williams, the coast visitors came east, being met at Briar Cliff by President Victor Roth and his wife, and motoring thence to New Haven.

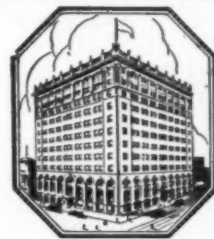
A native of California, Mr. Sifford entered the employ of the California Insurance Company some years ago, speedily displaying such initiative and energy as to lead to his appointment in turn to a special agency, the assistant secretaryship and later secretaryship of the corporation. The latter post he resigned in 1926 to take over the management of the Security group for the entire territory under the jurisdiction of the Pacific Board. Here his record has been such as to more than justify the expectations of President Roth when making the appointment. A keen observer, quick thinker, and intelligent worker, Mr. Sifford gives every promise of becoming one of the stalwart figures in fire underwriting circles on the west coast.

Medcraft Leaves Post

Announcement was made this week in San Francisco of the retirement of R. C. Medcraft, since 1914 assistant manager of the Commercial Union group of companies on the Pacific Coast. Mr. Medcraft has been engaged in the fire business in San Francisco since 1891, when he arrived from London to act as assistant manager of the Imperial and the Lion. He commenced his business life with the Royal in Liverpool more than 47 years ago.

Mullins Goes to Indianapolis

George R. Mullins, who for the last year has been in charge of claim work in the central west for the International Indemnity, has been appointed resident manager of the company at Indianapolis. His office is at 1012-14 Chamber of Commerce building. Associated with him are I. T. Swain, E. R. Miller and A. E. Posner. For several years before joining the International Indemnity Mr. Mullins was in the Chicago office of the Travelers Indemnity.

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Room with Bath—	\$2.50 and up
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NEWS FROM EASTERN FIELD

WILL REPORT TO NEW YORK

American Central Will Establish a Direct Underwriting Office for the Eastern Section

The American Central and Mercantile Fire & Marine Underwriters will establish underwriting headquarters for the eastern section Jan. 1 at 1 Park avenue, New York City. The American Central therefore decided to have its New England business outside of the metropolitan Boston district report direct to New York headquarters. It has notified its agents in the New England states that they can continue to represent either the American Central or Mercantile Fire & Marine Underwriters as at present, or may accept the agency of some other company that may be provided by Simpson, Campbell & Co. of Boston, the present general agents. President B. G. Chapman, Jr., of the American Central notifies the agents that if they accept another company through the general agency the American Central will respect the expirations in force and will not go after them. In other words they regard the business as belonging to the agents. Simpson, Campbell & Co. will continue as local representatives in Boston and the metropolitan district for the American Central and the Mercantile Fire & Marine Underwriters.

Orders Full Clause Used

NEW YORK Oct. 12.—Superintendent Beha of New York has issued an order that all fire insurance companies discontinue the use of the abbreviated loss payable clause and in the future use only the standard form of mortgage clause to cover the mortgagee interests. The forms now printed will not have to be thrown away now, but all new forms must be on the standard form and all policies on the standard form after July 1, 1928.

Hold Second License Quiz

BOSTON, Oct. 12.—The second of the examinations held by the insurance department of Massachusetts for applicants for insurance agents' licenses was held Monday, for which there were 270 applicants up to the time of the examinations. Of this number but 177 appeared to take the tests, of whom 27 had previously filed application for the first examination. Most all of those taking the second examination were life insurance men and while the papers have not all been corrected it is apparent that the percentage of those who passed was very high.

Newell Enters Agency Work

BOSTON, Oct. 12.—Robert S. Newell, special agent of the New York Underwriters, has resigned as of Oct. 1 to become identified with the local agency of C. Clement Colburn in Newton Center, Mass. Mr. Newell was with the Underwriters Bureau of New England for some time, then in the home office of the New York Underwriters, coming to New England in 1921.

Rates Increased in Rome

ROME, N. Y., Oct. 12.—Survey of fire hazards in Rome caused a substantial increase in insurance rates generally. All churches have had their rates boosted and in some cases premiums were doubled. Rate on the Junior High School jumped from 32 to 38 cents and the contents from 32 to 46 cents. Municipal building rate went from 50 to 93 cents, contents 50 cents to \$1.01. Where sprinklers were put in rates stayed constant. Rome is discussing additional fire fighting facilities.

Eastern Notes

The Eagle Fire of New York has appointed S. Buchsbaum & Son as agents in Philadelphia.

Thomas L. Lawler, surviving member of the insurance agency of Thomas L. and N. J. Lawler, of Greenfield, Mass., died last week.

PREMIUMS IN PHILADELPHIA

Fire Insurance Patrol Gives the Figures for the First Six Months of 1927

The premiums collected in Philadelphia for the six months ending July 1, as reported to the Philadelphia Fire Insurance Patrol showed \$6,652,663. Of this amount \$2,129,579 was collected by Pennsylvania stock companies; \$3,124,510 by stock companies of other states. The total premiums for 1926 were \$7,828,773. Those receiving over \$75,000 for the first six months are as follows:

Alliance Pa.	\$234,146	\$258,313
Fire Association	165,650	196,726
Franklin	361,967	365,047
Home, N. Y.	170,048	121,337
Insurance Co. of N. A.	441,756	489,534
L. & L. & G.	85,587	121,281
State, Pa.	75,423	82,289
Lumberman's	107,795	110,837
Mechanics	113,011	137,440
National, Ct.	86,236	88,617
Pennsylvania	210,917	238,547
Royal	125,258	154,236
Nat'l Liberty	75,117	73,960

IN THE MOUNTAIN FIELD

QUESTION DENVER RATE CUT

Engineers of National Board are Conducting Survey—Find Improvements Are Needed

DENVER, COLO., Oct. 12.—Probability that Denver will not receive the desired reduction in fire insurance rates until a high pressure fire fighting system is installed was indicated by William DeRohan, head of the engineers of the National Board, who are conducting a survey here. A chamber of commerce committee appointed to investigate Denver's fire fighting status held its first meeting last week and will hold two meetings each week, open to the public.

Mr. DeRohan said the fire department itself was not open to criticism, but the system of fire telegraph here was one of the oldest he had ever seen. Most streets are not paved, and many alleys have wires carrying 40,000 volts or more, he said. One of the requirements of the association for lower insurance rating is high pressure apparatus for fire-fighting, he said, and Denver is without this. Denver is now rated as a class three city.

Colorado Blue Goose Elects

Sam B. McAllister, who has served the Colorado Blue Goose as supervisor for the past year, has been elevated to most loyal gander to succeed B. C. Wuersch. Other officers are: C. D. King, supervisor; Karl E. Eppich, guardian; John Reams, custodian; Raymond Stebbins, welder; A. M. Wood, keeper of the golden goose egg. Past Most Loyal Gander Wuersch and Most Loyal Gander McAllister are the delegates to the grand nest at Dallas.

Forty attended the meeting held in Denver, which was considered a splendid turnout, due to the territory the pond covers and the fact that many of the ganders are in the field over the weekends. The pond is in good financial condition.

Policy Payments Withheld

DENVER, COLO., Oct. 12.—Don Hogan, automobile dealer, charged with arson and confidence game, has made formal application for \$160,000 in fire insurance, as a result of a fire at his offices and showroom last August. Up to a few days ago no formal application for payment had been made despite his second arrest for further investigation in the case. The payment of insurance covered by 19 different policies was held up by the various companies pending outcome of the investigations of various underwriter inspectors.

NEWS FROM CANADA

SHOW FIRE PREVENTION GAINS

Dominion Report on Special Observance Cites Consistent Reductions in Losses

OTTAWA, ONT., Oct. 12.—The direct benefits traced to fire prevention are emphasized by the Dominion fire commissioner in his report on fire prevention, supplementing the proclamation issued by the governor-general of Canada, in which the experience since 1922 is reviewed in some detail. Notable decreases in fire losses have been reported annually in this five-year period and, while this is not entirely credited to fire prevention efforts, it is in a large part believed to be a direct result of the combined efforts of fire preventionists in Canada. In 1922 the value of property destroyed by fire was \$54,390,688. In 1923 it was \$48,570,700; in 1924 it was \$45,906,500; in 1925 it was \$40,729,700, and in 1926 it was \$38,395,000. The decrease in loss was persistent and consistent. In 1926 the total fire losses were nearly \$16,000,000 below the 1922 level.

The saving was general throughout the Dominion, losses being curtailed in all of the provinces. This is true of all of the important cities and towns and in all classes of occupancy. It is pointed out, however, that particular progress was made in preventing fires in large industrial and mercantile establishments. In 1922 individual losses of over \$100,000 numbered 115 and destroyed property valued at \$22,545,000. In 1926, similar fires affected 41 properties, with a loss of only \$7,749,800. It is also pointed out that the results of fire prevention have been reflected in fire insurance rates, which have shown a gradual and consistent decline.

Fire Losses Increase

According to the "Monetary Times," fire losses in Canada for the week ending Sept. 28 are estimated at \$382,700, as compared with \$75,639 for the corresponding week of 1926. Two large fires, one for \$200,000 and the other for \$150,000, made up almost the total loss.

According to the report of the fire marshal for Ontario, August fire losses in that province totaled \$1,370,681, an increase of \$25,204, as compared with the corresponding month of 1926. For the first eight months of this year the total losses are computed at \$7,743,653, a decrease of \$724,502, as compared with the similar period for 1926.

Adopting Two-Platoon System

Next year in Saskatchewan, all cities with a population of over 10,000 will probably adopt the two-platoon system for their fire departments, where they have not done so already. The larger cities are now operating under that system, as are the majority of the large cities on this continent. Winnipeg adopted the system in 1919. The act providing for the adoption of the two-platoon system was passed by the Saskatchewan legislature at its last session.

Big Incendiary Loss

OTTAWA, Oct. 12.—The warehouse of A. J. Freiman, Ltd., department store, at Ottawa, was badly gutted, and all the contents destroyed, by a fire of incendiary origin last week. Four young men were seen loitering around the warehouse, and one of them was seen to light a torch and thrust it into building through the window. The building was filled with a large stock of furniture and the total damages are estimated at \$90,000.

Apply for Receiver

An application has been made this week in Winnipeg courts for the appointment of an interim receiver for the Canada National Fire and an injunction placed on two loaning and mortgage companies from controlling or interfering with its affairs. The action has been

taken by a shareholder. As a result of the vote of the shareholders held last month, pursuant to an order from the judge to ascertain whether the company's name should be used as co-plaintiff in the action brought, the majority of shareholders, it was shown, opposed this motion. Opposition to the fact that votes cast by the directors overruled those cast by the shareholders and without which the shareholders would have shown a contrary vote, was forthcoming by the counsel for the plaintiff taking the action.

Canadian Notes

The Halifax Fire has been licensed in Canada for tornado insurance.

The Federated British has been licensed in Canada for sprinkler leakage insurance.

The London Guarantee & Accident has been licensed in Canada for inland transportation.

The Merchants & Employers Guarantee & Accident of Montreal has been licensed to transact accident, sickness, automobile.

The Boston Manufacturers Mutual Fire has been licensed in Quebec to transact fire, lightning, sprinkler leakage and windstorm insurance.

Douglas L. Cameron has been appointed manager in the province of Manitoba for the Northwestern Mutual Fire. He joined this organization in 1924 as an inspector.

IN THE MOTOR FIELD

HOLDS RECIPROCAL MUST PAY

Michigan Supreme Court, Deciding Against Preferred Exchange, Says Policy Was For More than Indemnity

LANSING, MICH., Oct. 12.—Whether or not the Preferred Automobile Insurance Exchange intended merely to indemnify one of its members against public liability or really to insure him, the reciprocal will have no alternative in the matter, the Michigan supreme court decided last week, but must pay the victim of an accident for which a policyholder was responsible \$3,500 plus costs.

The reciprocal insisted quite vehemently, in view of the fact that the policyholder had insufficient funds to meet the lower court judgment, that it meant merely to indemnify the assured no matter what the unfortunate construction that might be put upon its policy terms. But the supreme court insisted even more vehemently and with discouraging finality that the policy terms, both specific and inferential, had considerable to do with the case no matter what the reciprocal's charitable and well-meaning intentions. So it appears that unless the exchange wants to go to the supreme court of the United States for adjudication of the matter it must pay the judgment and costs. The case was that of Lansford G. Barney vs. the Preferred Automobile Insurance Exchange, garnishee defendant, and Harvey F. Whitaker, principal defendant.

The supreme court maintains, however, in its decision that, if the exchange meant only reimbursement, it should have clearly stated it in the policy and not resorted to ambiguous and hazy wording which obviously deceived the purchaser of coverage into the belief that he was buying a variety of protection the exchange had no intention of affording him.

Service Clubs Merging

OKLAHOMA CITY, Oct. 12.—A. L. Roarke, secretary of the Oklahoma Insurance Board, has announced that three of the auto anti-theft companies operating in the state have complied with the insurance laws of Oklahoma through merging with insurance companies already licensed. The National Auto Protective Association of Okmulgee and the Bureau of Secret Service have become affiliated with the Fidelity & Mutual Indemnity; and the Security Protective Association has merged with the Security Mutual. The American Anti-Auto association of Oklahoma City has declared its decision to come in as a stock

company and has submitted policy forms for the board's approval, he said. The Industrial Auto Protective association of Ponca City is trying to qualify as a mutual and the National Anti Auto Theft Association of Bartlesville, and the Auto Owners Service Club of Oklahoma City have discontinued business. The latter has been placed in the hands of a receiver, the board secretary said.

Withdraws Lloyds Literature

LANSING, MICH., Oct. 12.—Advertising literature of the Stutz Motor Car Company of Indianapolis, Ind., in which an indirect bid is made in behalf of insurance business for London Lloyd's, will be withdrawn from circulation in Michigan, officials of the Michigan insurance department have been assured by one of the company executives following a protest by the state bureau. The literature is put up in a booklet simulating the appearance of an insurance policy and it contains a number of reduced facsimiles of Lloyd's policies covering various hazards and applying only to Stutz cars or their owners.

Holds "Joy Ride" Not Theft

LINCOLN, NEB., Oct. 12.—Taking a car for a joy ride is not stealing within the meaning of the term as recited in policies covering theft risks, says the supreme court, which adopts the opinion of the trial judge in the case brought by the Employers Indemnity against the Maryland Motor Car in Douglas county. The trial court said that while the men who took the joy ride unlawfully took the car, they did not steal the machine within the meaning of the term "stealing."

The car belonged to Boris Pred, wealthy Omahan. He kept it in a garage and employees there used it for a ride in the country. They jammed it into a bank. He sued the Employers on a collision policy and after the supreme court ordered the policy paid the Employers sought reimbursement from the Maryland, claiming it was in fact a theft.

Wisconsin Auto Plans Building

MONROE, WIS., Oct. 12.—The Wisconsin Automobile is having plans drawn for a \$150,000 home office building here, according to George W. Wilkinson, founder and general manager of the company. The company has been in leased quarters which it has outgrown. A swimming pool to cost \$25,000 is contemplated as one of the features of the building and the operation of it would be supported by an annual privilege subscription campaign, thus making it a community project.

To Bar Drinking Drivers

PHILADELPHIA, PA., Oct. 12.—Announcement has been made by William A. McCrea, manager of the Insurance exchange of the Keystone Automobile Club, that that organization will in the future not write policies on automobilists who drink or who are arrested for drunkenness. Mr. McCrea stated that any policies written covering those who use liquor when driving will be immediately cancelled.

Auto Town Mutual Formed

MADISON, WIS., Oct. 12.—Town mutual interests from all parts of Wisconsin met here last week to organize a farmers' mutual automobile insurance company, to maintain its home office at Madison and write mutual policies on a statewide basis. Talks were made at the meeting by Herman L. Ekern, former attorney-general, and Deputy Insurance Commissioner J. E. Kennedy. August J. Rammer of Sheboygan, secretary of the Town of Wilson Mutual Fire and secretary of the State Association of Town Mutuals, was elected president of the new organization. Harvey J. Spriggs of Kansasville was elected vice-president, R. J. Kalbskopf of Marshfield, treasurer, and H. L. Wittwer of Madison, secretary and general manager. The company will write farm cars only and will operate on the legal reserve basis.

Forming New Fire Company

BALTIMORE, Oct. 12.—A new fire insurance company, the Economy Fire, has been incorporated under the laws of Maryland with a capital stock of \$2,000,000. The offices of the company will be located in Baltimore and the incorporators are Roy A. Haynes, William H. Hubbard, R. H. Williams, Samuel T. Conkling and Samuel B. Curry.

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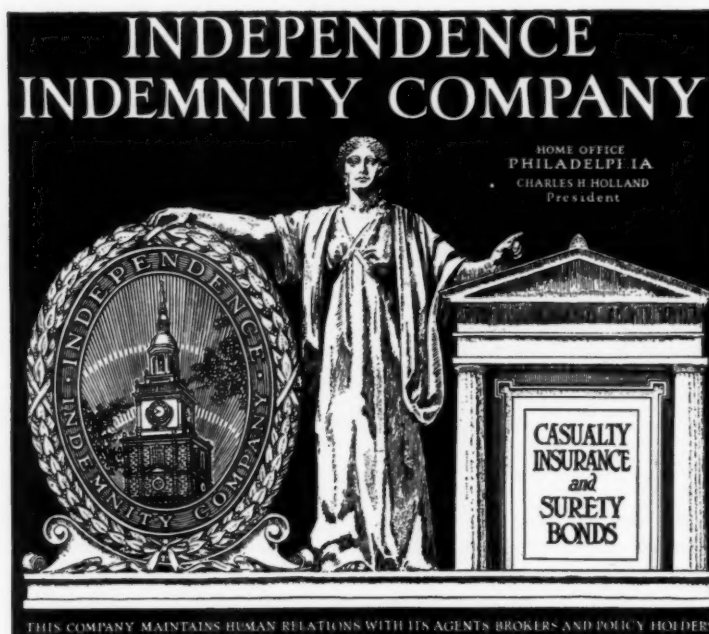
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The National Underwriter

October 13, 1927

CASUALTY AND SURETY SECTION

Page Thirty-three

ACQUISITION RULES WILL STAY IN FORCE

Only Radically Changed Conditions Would Cause Abandonment, Company Officers Say

BURRAS' PROPOSAL FAILS

Enforcement Has Lagged Because of Altered Positions of Interested Men, but Situation Is Better

NEW YORK, Oct. 12.—There will be no abandonment of the casualty acquisition cost conference, either at the present time or, so far as can be foreseen, in the future, unless conditions in the business change radically from those now existing. Such assurance may be accepted by the underwriting fraternity without reservation. The suggestion offered by Charles H. Burras, president of the National Association of Casualty & Surety Agents, at the convention of that body at White Sulphur Springs, that the casualty agreement, having failed to accomplish all that it was designed for, should be thrown into the discard and resort made to the field practices previously in vogue, failed to find the slightest support in company offices here.

Executives while freely admitting that the acquisition cost agreement has not proved a panacea for all the ills of the business, yet assert, and with no little positiveness, that since the regulations went into effect field conditions are generally far better than they have been in a long time, while a heavy saving in expenses has been effected.

Opposition Developed

When after a prolonged series of conferences the casualty acquisition cost agreement was finally determined upon, considerable opposition thereto was encountered not only from many general agents but also from a number of commissioners, making the application of the new rules no easy task on that account. Despite this opposition the plan was put into effect, some of the largest companies being notable in carrying it out in good faith.

The task of explaining its provisions to the field force was delegated in considerable measure to Jesse S. Phillips, general manager of the National Bureau, and to G. F. Michelbacher, secretary of the organization, whose efforts were strongly supported by the chairman of the national agency committee. With the retirement of Messrs Phillips and Michelbacher from the service of the bureau to accept the vice-presidency and secretaryship respectively of the then newly formed Great American Indemnity in April, 1926, the work of rule enforcement lagged to a considerable degree, being still further hampered when T. M. Nial retired as assistant secretary of the bureau to associate with the Hartford Accident.

That conditions in Chicago are not what they should be is generally ad-

COMMENTS ON BRANCH OFFICES OF MARYLAND

VIEWS OF PRESIDENT BURNS

Public Statement of Company's Head Answers Critics of Its System of Representation

BALTIMORE, Oct. 12.—A statement made public recently that the Maryland Casualty is a well-established branch office operating company is regarded as unfortunate by President F. Highlands Burns, who has issued the following statement:

"I think if you will make an examination of the organization of the various casualty companies you will find the Maryland Casualty, especially on account of its size, is more of a general agency company than any of the companies.

General Agents Number 188

"We have 188 general agents and branch offices, and out of 188, nine are branch offices. In only one, New York, have we operated as a branch office since operating in that city.

"In all of the others we endeavored to function as a general agency company, but, frankly, we were compelled to go into a branch office due to the unsatisfactory experience we had with various and sundry agents in each place and the impossibility of getting a fairly satisfactory agent in such places."

mitted. Neither are they so good in Boston and in lesser degree in Los Angeles. But by and large the acquisition cost rules are fairly well observed throughout the country and are steadily being strengthened. Superintendent Beha of New York shortly after his assumption of office some two years ago became greatly interested in the acquisition cost problem and as a result of several conferences with company executives, disclosed weaknesses in the agreement were corrected. Mr. Beha's belief in the regulations is attested through his insistence that companies seeking admission to New York state pledge themselves to observe the agreement before they are granted licenses.

Conditions to Be Aired

A meeting of the national agency committee will be held here on Oct. 20, when the Chicago situation that impelled the National Surety to resign from the conference in so far as burglary business in that city was concerned, will be aired. Beyond this it is wholly likely that the committee will decide to make formal and complete answer to the charges of bad faith made by Mr. Burras at the general agents' gathering. Membership on the national agency committee is by company, the present roster being: Aetna Casualty, Fidelity & Casualty, Great American Indemnity, Hartford Steam Boiler, Independence Indemnity, London & Lancashire, London Guarantee & Accident, Maryland Casualty, Massachusetts Bonding, New Amsterdam Casualty, Norwich Union Indemnity, Standard Accident and the United States Casualty.

CHARLES W. MAYDWELL IS AGAIN PROMOTED

IS RESIDENT VICE-PRESIDENT

Former Claim Division Manager, Maryland Casualty, Opens Cleveland Office for Company

Charles W. Maydwell has been appointed resident vice-president of the Maryland Casualty in charge of a casualty branch office, 405-10 Williamson building, in Cleveland, O., with general supervision over Ohio and Indiana. Thomas N. Bartlett succeeds Mr. Maydwell at the home office as manager of the claim division.

The new branch office is opened with the cooperation of E. H. Fishman, Inc. It will develop and write casualty lines in Cleveland only, surety business being written exclusively by E. H. Fishman, Inc., general agent, while retaining also its casualty agency.

Entered in Claim Division

Mr. Maydwell entered the service of the Maryland as office attorney in the claim division when it was in charge of F. Highlands Burns, now president. He was made assistant manager of the division in 1903 and manager in 1905, serving in this capacity to his present appointment.

Mr. Maydwell was born in Mechanics-town, Md., the son of the late Rev. George E. Maydwell, a Methodist minister. He was graduated from Baltimore City College, and in law at the University of Maryland.

Built Claim Service

He deserves credit for building up and maintaining the high quality of claim service. When he became manager there were five branch claim divisions, and there are at present 70. There are now 78 persons in the home office claim division, and 547 in the field under him. He has charge of four clinics, and there are several thousand lawyers handling legal work under him.

Thomas N. Bartlett has a record of 20 years service with the company. He joined in the claim division. He was made manager of the Baltimore city claim division in 1910.

Made Special in 1914

In 1914 he was assigned to special work from the home office claim division which carried him frequently into the field. In 1915 he was made superintendent of compensation claims; in 1921, manager of the workmen's compensation claim division.

Mr. Bartlett is a graduate of the Baltimore City College and of the law department University of Maryland. He also took a post-graduate course at the Baltimore City College and a special course in the summer school of Columbia University. Before joining the Maryland Casualty he taught in the public schools of Baltimore.

Gets Huntington General Agency

The G. Don Miller Company of Huntington, W. Va., has been given a general agency for the New York Indemnity, in both its casualty and surety departments.

SOME FIRE BLAZED AT THE OFFICIALS MEETING

Casualty Head Office Men Took Offense at C. H. Burras' Critical Talk

ALL OFFICERS REELECTED

Big Convention at White Sulphur Springs Brings Out a Large Attendance and Is Beneficial

OFFICERS INTERNATIONAL ASSOCIATION

President—E. A. St. John, National Surety.

Vice-President—F. J. O'Neill, Royal Indemnity.

Chairman, Executive Committee—Edward C. Stone, Employers Liability.

Secretary-Treasurer—F. Robertson Jones.

Executive Committee—T. J. Falvey, Massachusetts Bonding; C. B. Morcom, Aetna Casualty; F. Highlands Burns, Maryland Casualty; Richard Deming, American Surety; E. A. St. John, Ex-Officio; F. J. O'Neill, Ex-Officio; F. Robertson Jones, Ex-Officio.

OFFICERS NATIONAL ASSOCIATION

President—Charles H. Burras, Chicago.

Vice-President—G. Arthur Howell, Atlanta.

Secretary-Treasurer—Dorr C. Price, Chicago.

Executive Committee—James W. Henry, Pittsburgh, Chairman; Thomas E. Braniff, Oklahoma City; B. W. McCluer, Kansas City; Gordon H. Campbell, Little Rock; Charles H. Van Campen, Minneapolis; Holcomb G. Johnson, Washington, D. C.; James H. Carney, Boston; Wallace M. Held, Pittsburgh; John T. Harrison, New York City; James R. Milligan, Cincinnati.

The separate meeting of the International Association of Casualty & Surety Underwriters held the morning of the third day of the joint convention with the National Association of Casualty & Surety Agents is usually most circum-spect, following a course of procedure that might be termed ritualistic. The insurance newspaper men who attend the convention usually choose the agents' meeting as being the more fervid and interesting. This year they made a wrong choice.

Wrought Up Over Burras' Talk

President Charles H. Burras of the agency body in his annual address at the joint meeting of the two organizations, over which he presided Wednesday morning of the convention, spoke his mind in no uncertain terms regarding the acquisition cost rules. He claimed that they had not worked out successfully, were an injustice to general agents and should be scrapped. He claimed that the relief rule granting companies special concessions had been used to the detriment of the business. He laid the blame entirely on the company executives, saying that the agency association had used its utmost powers

to bring about a satisfactory condition but without avail.

Vice-president William BroSmith of the Travelers at the company meeting was exceedingly sharp in his censure of Mr. Burras for making this address before the joint body when there was no opportunity for any reply or explanation. Mr. BroSmith stated that Mr. Burras had departed from the truth, as the facts did not substantiate the charges he made. He resented his criticism of the national agency committee whose members, he said, had worked hard and faithfully, having before them many vexing problems but always using good judgment in the course pursued. Mr. BroSmith said that he did not feel he could attend another joint session if company executives were to be subjected to abuse. He advocated the two associations holding conventions at different places and at different times so that there would be no future embarrassment. Mr. BroSmith spoke with deep feeling.

Oil on Perturbed Waters

Attempts were made to calm the troubled waters. President Miller of the Fidelity & Deposit suggested that the International association enter a formal protest with the agency body expressing its regret that any discordant note involving a controversial subject be injected in the proceedings. It was stated that at the joint meeting topics that would bring out sharp differences between the two organizations should not be introduced. Vice-president Moray of the Hartford Accident said, in his opinion, that any subject of real interest should not be prohibited. He stated that the acquisition cost agreement was a subject of great concern to the agents. He asserted that if topics of this kind were to be outlawed presidential addresses would be colorless. The whole matter ended with President E. A. St. John of the International association agreeing to see to it that hereafter objectionable subjects would not be injected into agency presidential addresses.

A number of executives felt that President Burras was impolitic in being so forceful in his criticism of the acquisition cost rules, especially in an open meeting when not only company officers but guests were present. Attention was called to the fact that there is a conference committee composed of two members from each association to whose members should be referred any complaints or mutual problems which need adjustment. The point was made that if the agency association feels that the companies are unjust in maintaining the acquisition cost rules the matter should have come before the conference committee and not aired in open meeting.

During the discussion one member criticized the competition in golf prizes, he stating that companies in trying to outdo one another had made prize giving an expensive operation.

Convention Is Beneficial

When the air had cleared the feeling prevailed that the joint convention of company executives and agents was a custom that by all means should be continued. It brings together in a very delightful way company officers and general agents. In this manner friendships are made and valuable contacts are formed. It is one of the most beneficial gatherings of the year. More is accomplished outside the convention hall than in.

The company officers far outnumbered the general agents. The convention register showed 240 names including ladies and other guests. There were 83 agency members present. The gradual lessening in number of the large territory general agents may in time affect the interest in the agency organization. Companies are reducing the territory of general agents and are cultivating it from headquarters with special agents. The fact of the matter is that the vast majority of casualty and surety general agents are local agents having jurisdiction over a limited territory.

At the Thursday session W. G. Wilson of Cleveland, and M. R. Whited of

TIME MAY YET GIVE A DIFFERENT KIND OF TALE

LOOK FOR HEAVY LAPSES

Many Casualty Companies Doubt Whether Massachusetts Compulsory Experience Will Be Favorable

NEW YORK, Oct. 12.—The address of Commissioner Monk of Massachusetts before the Insurance Commissioners Convention at Cincinnati, in which he was bold to state that the compulsory automobile insurance law in his state had proved a great boon in reducing accidents and driving from highways many irresponsible drivers, has attracted wide attention on the part of casualty company officials. Of course if the Massachusetts law works out satisfactorily in the long run and will eventually succeed in reducing accidents and bringing about better conditions, the insurance companies will be its hearty champions. Company officials, however, at this time are not so sanguine as Commissioner Monk on the working of the Massachusetts law.

A number of officers declare that in their opinion the Massachusetts rates are too low and companies cannot afford to carry the business at the existing tariffs. They predict that when expirations come around companies undoubtedly will find an excuse for dropping a number of assured. What the companies fear in a law of this kind is the breaking down of the selective process in underwriting. Successful companies have been able to build substantially because they had been careful in selecting their assureds. They insure the man. Where they have not the opportunity of making this selection as they desire but are compelled to serve all comers, a new factor is introduced in underwriting which companies declare to be very dangerous.

Cleveland were sent by the agency body to the company organization meeting to carry greetings, Mr. Wilson being the spokesman. Shortly thereafter President A. Duncan Reid of the Globe Indemnity and President Jesse S. Phillips of the Great American Indemnity went to the agency meeting for a similar purpose, Mr. Reid being the spokesman.

The officers and executive committee-men of both organizations were re-elected. The members of both bodies were entirely satisfied with the way the business had been conducted and desired no change.

Will Again Meet at White Sulphur

Undoubtedly next year's convention will be held at White Sulphur Springs. The company organization went on record as preferring the place. A member from the south at the agency meeting expressed dissatisfaction with holding the convention at one place but he seemed to stand alone in this respect. The feeling prevails that White Sulphur Springs is an ideal meeting place and convenient for the majority of those who attend.

President Burras in his own meeting again referred to the acquisition cost program, declaring that something must be done to bring about more satisfactory conditions. He stated that some of the leading executives no doubt had direct knowledge of the seriousness of the situation and will attempt to change conditions which Mr. Burras termed as intolerable. He said that rules are needed that are workable and are just to the general agents. No serious effort, he said, is being made to apply the surety acquisition cost rules. As he put it, they are in a state of "suspended animation."

The National Association of Casualty & Surety Agents had its attention called to the Underwriters Finance Company which is operating in a number of cities. It is a scheme whereby people can pur-

RECEIVER DENIES PRIORITY OF UNEARNED PREMIUMS

AMERICAN BONDING CASE UP

Court Asked to Set Aside Special Appeal of Roberts & Heath and the Like

SIOUX CITY, IA., Oct. 12.—Receiver Grandy of the American Bonding & Casualty, which failed here in 1921, has filed with the district court here denial of priority or preference of claims made for unearned premiums on policies current at the time of the failure. These claims amount to approximately \$400,000.

Denial of this priority is made specifically in amended and substituted objections to the claims of Roberts & Heath of Chicago, totaling \$6,302.53. The receiver sets out that the claims made by this concern were assigned to them subsequent to the appointment of a receiver and that the assignments were for policies and bonds which were null and void and had lapsed, the premiums on which had not been paid to the American Bonding & Casualty. The receiver further claims that there was more due from the policyholders and bondholders and their agents than the amount claimed under these assignments.

Denies Funds Available

Receiver Grandy denies the allegation of the claimant that the securities held by the Iowa insurance department are a trust fund for which a statutory 40 percent is a reserve for the payment of unearned premiums. The receiver sets forth in his declarations:

"The American Bonding & Casualty did not at any time maintain on hand an unearned premium reserve of 50 percent of the premiums on all policies or any portion or amount of premiums as a reserve fund. The American Bonding & Casualty never earned any profits or never had any net earnings, and the company did not keep the unearned premium account separate from its other funds and never had, and the receiver never received the 40 percent premium reserve referred to in the statutes of Iowa."

Says All on the Same Basis

The receiver calls attention to the fact that there are pending claims, made by the United States government, approximating \$1,500,000 and other claimants, including those who ask for the return of unearned premiums, of about \$500,000, and that these have not been adjudicated, and he asks the court to disregard the claim of Roberts & Heath as preferred creditors, and denies that claims for unearned premiums are entitled to preference or priority. If Roberts & Heath have legitimate claims, they are to prove them and share in the distribution of any assets remaining, as general creditors, the receiver says.

This claim of the receiver is of special interest to many insurance agents who wrote business in the American Bonding & Casualty and who after its failure took assignments from policyholders of their claims for unearned premiums and filed them with the receiver. It appears that there has never been a clearly defined decision in Iowa regarding the priority of claims for unearned premiums after a company has failed, although unearned premiums are always available, under the law, from a going concern. It is sure, therefore, whichever way the district court decides this matter, the case will be appealed to the supreme court.

chase insurance on the installment plan. The organization decided to have an investigation made of this method so that they can become acquainted with it. President Burras has not yet appointed the committee.

AUTO BUS DRIVERS ARE GUESTS AT BANQUET

COMPANY AND AGENCY HOSTS

Chauffeurs Are Applauded for Their Safety Promotion Work and Urged to Greater Effort

The E. J. Frechtling Insurance agency of Hamilton, O., the A. W. Shell agency of Cincinnati, and the Hartford Accident & Indemnity arranged an unusual banquet recently in Hamilton, O., in honor of the 25 bus drivers of the Ohio Bus Company. The banquet was tendered to the drivers in recognition of their record of eight months' driving of the busses of this company without an accident.

Among the guests were Edgar D. Gilman, public utilities director in Cincinnati; T. S. Blanchard, safety engineer in the Cincinnati office of the Hartford Accident; J. C. Welsh, manager of the liability department of the Shell agency; John Arnold of the Cincinnati Automobile Club; Fred Burns, automobile editor of the Cincinnati "Times Star"; J. F. Ankenbauer and Theodore Safford, managers of the Shell agency; L. E. Carney, claim adjuster for the Hartford; James Gallaher, president of the Ohio Bus Line; Roger Burlingame of the "Insurance Field," and R. E. Richman of THE NATIONAL UNDERWRITER.

Short talks were made by the guests. Mr. Gilman said that bus drivers are operating under a great handicap because of the bad record of bus operation in the past, but that at the present time in Cincinnati he is convinced that busses are driven with greater safety than private vehicles and that present conditions in the city do not warrant the feeling of hostility often manifested against bus drivers.

T. S. Blanchard, safety engineer, said bus driving is rapidly becoming a skilled trade among those who are making a real effort to bring about safe driving. Both he and Mr. Gilman appealed to the men to recognize that they are representatives of a class and that every accident injures all bus companies.

The insurance men who gave the dinner wished to honor and compliment the drivers and garage employees for the co-operation they have given in carrying out the safety plans formulated by the insurance company safety engineer and the bus management. They believe that the results achieved on the Ohio Bus Line can be achieved anywhere if the management of the bus line is willing to join hands with safety engineers in promoting good driving, and good driving determines the insurability of these risks.

Consider Service Car Law

ST. LOUIS, Oct. 12.—The advisability of requiring service car drivers of St. Louis to operate under city license and to furnish a \$3,000 surety bond for each car to protect users of the cars and pedestrians was argued at length before the legislation committee of the St. Louis board of aldermen last week. The committee took a bill covering service cars under advisement. The St. Louis Service Car Association through counsel appeared in opposition to the bill, contending that insurance should be substituted for the \$3,000 bond. Verne R. C. Lacy, attorney for the service car association, claimed that his clients have already insurance amounting to \$5,000 for one and \$10,000 for injuries to two or more persons in the same accident.

Green Bay Agency Meeting

GREEN BAY, WIS., Oct. 12.—Agents in the Moore & Moore agency here held a conference last week at which Walter W. Steiner, vice-president of the Globe Indemnity at Chicago, gave an address, and Charles Warner of the Hargrave School of Salesmanship, Chicago, talked. Twenty-two agents from the northeastern part of the state were present.

WILL DISCUSS RATES FOR NEW YORK STATE

Representatives of Casualty Associations Will Hold Meeting
Next Week

SOME ACTION IS URGED

Superintendent Beha Insists That Stock and Mutual Carriers Try to
Compose Differences

NEW YORK, Oct. 12.—Following the recent meeting of the four casualty association representatives interested in workmen's compensation rates in New York, a second gathering will be held here on Oct. 18. Attendance will be restricted to Leon S. Senior, manager Compensation Inspection Rating Board of New York; H. P. Stellwagen, secretary National Bureau of Casualty & Surety Underwriters; William Leslie, general manager National Council of Compensation Insurance, and R. A. Wheeler, vice-president and actuary of the Liberty Mutual, representing the mutual companies. Mr. Wheeler, at the most recent session of the conferees, is understood to have been skeptical of the data presented by the stock carriers, holding that it was not sufficient to justify certain conclusions arrived at by the stock carriers. He will likely have a modifying proposition to offer at the gathering next Tuesday.

To Meet at Beha's Behest

The association heads are meeting in response to the suggestion of Superintendent J. A. Beha that they seek to arrive at a common understanding on all points now in dispute between the stock and the non-stock carriers, if that be possible, or, if not, to come to an accord upon some of the issues, supporting their conclusions or different viewpoints, should complete reconciliation be impractical, by statistical data. The revised rates prepared for the Empire State were to become effective Oct. 1, coincident with the application of the liberalized features of the workmen's compensation law. The proposed figures have been held in suspense until the department expresses its opinion thereon. Company executives are becoming restive and would like to have the mooted questions settled without delay.

Filed Massachusetts Rates

Incidentally, the stock carriers filed with the Massachusetts Rating & Inspection Bureau a schedule of proposed tariffs for compensation business in the Bay State during 1928. The figures were prepared under the same rate structure used in New York and which it is hoped will eventually become acceptable to rating bodies the country over.

Accident Notes

The New England Fire of Pittsfield, Mass., has been licensed in Virginia.

Lukens & Smith have been named as general agents at Evansville, Ind., for the casualty branch of the New York Indemnity.

The New York Indemnity has appointed W. B. Hiddy its general agent at Champaign, Ill., for casualty and surety lines.

S. H. Pool, Philadelphia manager of the Fidelity & Casualty, has gone for a month's hunting and fishing trip at the Bourbonneaux Club in Canada.

It is singular that so many agents do not catch the real spirit of insurance, even after years of exposure. Some seem to be immune.

PHIL'S PHILOSOPHICAL PEREGRINATIONS

By PHIL BRANIFF

Well, conventions are mighty nice. But they ought to put the hotels under the jurisdiction of the five civilized tribes. It's handled the same way. They promise you a reservation and give it to someone else. But it's fun. I love to camp out in my dinner clothes.

The White Sulphur Springs convention was a big success. Personally, I got a lot of fun out of it. In addition to the regular speeches and instructive talks, I took a three-hour correspondence course in drawing from the Greenbrier Upper College of Fine Arts. I drew to a pair of kings and didn't help. Carl Hansen held up an ace and made a straight flush. But this is about the convention, and I never did like to draw anyhow.

The program was excellent. The fellows who missed it must know that they missed something worth while hearing. It takes individuals to make a convention. Individuals came to White Sulphur. They were the same old crowd of fellows who have seen the game's rules change a bit and the players substituted from time to time, but they're soldiers, those fellows, and it's a privilege to listen to them. It is true that they come there representing somebody, some company, but to me they represent something else. They represent something to try to be. Something up the ladder.

But about the individuals: There was E. A. St. John, who presided at two tables. Both business tables, but it only cost me at one of them. He's a dignified fellow, the kind of man who smiles cheerfully, looks you straight in the eye and says: "It's up two dollars!" They tell me he lives close to Sam Bogert. Well, he'll have to live close to live. Every time Sam laughs it costs me another dollar. Sam draws better than Sidney Smith and can hold more queens at one time than Brigham Young.

James A. Beha certainly is popular. He is also brave. To prove it, he stood right out in the open where anybody could have shot him and said "acquisition cost" out loud. He further said that the Lord would settle it. Well, with our sincere friend, the departed Champ Hitchcock, up there, the Lord is probably working on it now.

The wrong reverend Charles H. Burras, erstwhile grand commander of the gavel and the English-made speeches, friends and chips. That fellow is unusual, to say the least. I never know whether he is fooling or not until I see him take the pot. I understand that the reason his paper was full of holes was because when he signed it he made the mistake of holding it out the window to dry—in Chicago.

Spencer Welton, if not the largest man, at least the greatest multiple lion mine in the world, was there. You can always tell he is there. He can say nice things so fast that he'll never get pinched. It would embarrass a cop to stop his car. When Spencer talks to you, you just grin and say "yes, no, yes, no, yes, no, yes" and he's always right. I like him.

Wallace Falvey, director of registration in the gold pedigree department, had to get back to the Massachusetts Bonding. Maybe it was payday and maybe it was something less important, but he didn't stay long. I guess by the time he listened to the reasons why everybody didn't have the right handicap, he was a nervous wreck.

H. P. Jackson had a delightful task. All he had to do was figure out the

handicaps and make the boys like it. He did it. I think I know how. He takes your age, adds it to your weight and subtracts that from the score you turn in. If he has the same problems all year he had at the convention, he will be old at twenty-five.

Chas. S. Ashley, the big sheet 'n' pillow-case man from New Bedford, came down to the convention with more linen than a grass widow. He certainly made a hit. The prize he donated would improve anyone's golf. Mr. Ashley also gave a consolation prize to the best dancer—a corsage of orchids. I always will believe that anyone who can finish a dance on both feet with me is entitled to a consolation prize.

Wm. J. Lemp of the Indemnity Company of America was the best equipped man at the convention. He carried a radio, several heavy trunks and a helper who was a good mixer. Mr. Lemp had a reservation in a cottage immediately adjoining the hotel and located just five miles south of the lobby. He spent the



PHIL BRANIFF

week-end at the hotel and then retired to his room.

Ralph Proctor of the Maryland Casualty is a man of considerable patience. He plays golf. He will stand for hours at a time casting things upon the water and never lose patience.

F. A. Bach of the Fidelity & Deposit won his first trophy. He attributes this feat to the life he has led and the handicaps that he overcame. As a member of the original fearless foursome, he is looking forward to next year to win the low gross.

"Billie Wilson" was present. Billie Wilson means a lot to the convention. He is always right in the midst of "what the young man should wear" and puts things across like Lindbergh. At roulette he puts more dependency on the blacks than the Republican party. It is rumored that he has income other than from golf, but it isn't necessary.

J. W. Henry, fondly known as "Jim," contributed to the business session a keen mind and some splendid ideas, contributed to the evening's pleasure the privilege of meeting his charming family, and contributed to "Billie" Wilson the usual crisp certificates of commerce.

W. G. Curtis, National Casualty, introduced some new ideas in golf. In addition to his "sox-appeal" of red, blue, etc., he plays golf with a suit that has expansion joints. No doubt it is of great

SEEK ELIMINATION OF FRAUDULENT CLAIMS

Direct Attention to Activities of
Shyster Lawyers and Ambulance Chasers

INSURANCE MEN WILL ACT

Special Division to Be Formed Within
National Bureau of Casualty &
Surety Underwriters

NEW YORK, Oct. 12.—A systematic campaign to end the activities of fraudulent claimants and shyster lawyers will be undertaken by leading casualty and surety writing companies, the executive committee of the National Bureau of Casualty & Surety Underwriters at its meeting yesterday recommending the formation within the organization of a special division, with these primary objects: To ensure, through cooperation of its members, such administration of casualty claims as will result in prompt and just settlement of all meritorious claims; to promote plans in respect to a service whereby collusion, deception and false or fraudulent claims will be vigorously resisted, and dishonest, unscrupulous and unethical practices, whether indulged in by professional or laymen, will be promptly discouraged and exposed; to establish and maintain an index for the purpose of reporting and disseminating information to its members in respect to accidents and losses in which its members have an interest; to promote cooperation for the exchange of information with public authorities and with individuals or organizations maintaining index bureaus for the collection of similar data.

It is proposed that the new department maintain a card index system, under which each company advise particulars of each claim as it is presented, the bureau promptly checking up any previous claims of like character. To carry out the work legal aid will be secured. It is anticipated the new department will be of great benefit to the general public as well as to underwriters, in that discovered fraud will be laid before the public authorities for prosecution and the guilty placed behind prison bars. As insurance rates are predicated upon the general loss experience, the elimination or material reduction of spurious claims will inure to the advantage of the honest assured. While New York City suffers in large degree from fraudulent claim making than any other center, the practice prevails in practically every large city throughout the country. That the public is at last aroused to the menace "behind fraudulent suits and ambulance chasing with their attendant evils," is attested by the recent meeting of 130 representatives of various business interests to protest the evil; the gathering being sponsored by the association of grand jurors.

value in carrying things and explaining three hundred yard drives.

W. L. Mooney, Aetna Casualty, who in private life is making quite a study of the farmers' troubles, plays golf well. His best shot is his niblick. With an 18-acre farm at home, he has learned how to use his clubs. They tell me he can stand over a net and chip an egg right out from under a hen and never disturb her. I don't know what happened to the egg, but who'd argue about that when they are so cheap?

Richard Deming is a regular Steve
(CONTINUED ON PAGE 44)

INTEREST IN GROUP SESSIONS RUNS HIGH

VALUABLE PROGRAM PLANNED

Insurance Advertisers Conference Sessions Are Designed to Produce Utmost Benefit to Delegates

Interest in the group sessions of the Insurance Advertisers Conference has reached high pitch, as these sessions will be among the most interesting features of the convention, to be held in Chicago, Oct. 17-18. The life group, of which B. N. Mills, assistant secretary and advertising manager of the Bankers Life of Iowa, is chairman, will devote its time to conservation, publications, cultivation of policyholders by the sales force, agency publications and direct mail to policyholders. In a way this group session will be tied up to the Monday morning general session, in that at this session John P. Davies, assistant superintendent of agencies of the Northwestern Mutual Life, will read a formal paper on conservation.

C. E. Rickerd, advertising manager of the Standard Accident, is in charge of the casualty group program. No set speeches are on this program, the plan being to have all members go in on a general discussion of house organs, publicity, details of department management, etc.

Laymen to Be Quizzed

H. V. Chapman, advertising manager of the Ohio Farmers, who has charge of the fire group program, has developed a plan for obtaining the reactions of a group of laymen to fire insurance advertising. The group also will conduct a general discussion on cooperation between the advertising and underwriting departments of fire companies.

Joseph P. Licklider, director of advertising and sales research for the Missouri State Life and formerly copy chief of the D'Arcy Advertising Agency of St. Louis, will talk on "Copy" at the general session. The Tuesday evening meeting will take the form of a general session and a dinner dance. Type and layout will be discussed by J. L. Frazier, advertising manager of the Seng Company, Chicago, and a nationally known authority on typography. An entertainment feature will be a song and music presentation by Roland D. Hinkle, a Chicago agent of the Equitable Life of New York and a former radio star. The Holcombe trophy also will be awarded at this evening meeting.

Trophy in Balance

The first year the trophy was won by the Metropolitan Life, and for the last two years has been held by the Hartford Fire. The rules of the award are that the company that wins it three successive years may retain it permanently. It is presented for the year's outstanding accomplishment in insurance advertising.

The following is the complete program:

Sunday Afternoon: Reception and tea for all members and guests.
Sunday Evening: Dinner for all members and guests. C. E. Rickerd, commissioner, presiding.

Meeting of executive committee, 8 p. m.
Monday Morning: Registration.
General Session, Clifford Elvin, president, presiding.

Call to order by the president.
"What This Is All About," John Hall Woods, chairman program committee.

"The Mind of the Buyer," Frederick W. Read, "Printers' Ink."

"Color Combinations and Paper Stock in Printed Advertising," Curtis W. Post, Koss, Morgan & Brooks, direct mail printers; formerly instructor in printed advertising, Chicago School of Printing.

"Conserving and Increasing the Business of Old Policyholders," John P. Davies, assistant superintendent of agencies, Northwestern Mutual Life.

"A General Agent's Ideas on Advertising," Lyle A. Stephenson, Kansas

City, General Agent, Continental Casualty.

Monday Noon: Luncheon, 12:15 to 1:45, John W. Longnecker, vice-president, presiding.

Address: "Copy," Joseph P. Licklider, director of advertising and sales research, Missouri State Life.

Award of the Weekly Underwriter prize, Fred W. Sarles, assistant secretary, Weekly Underwriter Company.

Monday Afternoon: Group Sessions, 2 to 5 p. m.—Life Group, Private Dining Room 1; Casualty Group, Private Dining Room 4; Fire Group, Private Dining Room 5.

Monday Evening: Business Meeting for Class A Members of the Conference, Private Dining Room 4, 8 o'clock.

Tuesday Morning: General Session, George E. Crosby, Jr., senior commissioner presiding.

9:30 to 10:00—"Selling Insurance Direct by Newspaper Advertising," L. D. Cavanaugh, vice-president and actuary, Federal Life.

10:00 to 10:30—"Some Letters I Have Met," Charles R. Wiers, Spirella Company, president direct mail advertising association.

10:30 to 11:15—"The Economics (or Value) of Insurance Advertising," Allen D. Albert, editor, "Evanston News-Index," past president Rotary International.

11:15 to 12:00—"Some Reports on the Progress of Cooperative Advertising and Public Relations Plans":

The "Insure in April" campaign, Leo E. Thieman, Casualty Information Clearing House of Illinois; "A Cooperative Campaign by Companies and Agencies," E. Chester Sparver, supervisor of publications, Connecticut Mutual Life; "An Institutional Newspaper Cooperative Campaign," Paul Speicher, associate editor Insurance R. & R. Service; "The Place of the Insurance Advertising Conference in the Insurance World," Leon A. Soper, manager of sales promotion, Phoenix Mutual Life.

Discussion.

Tuesday Noon: Luncheon under the auspices of the Advertising Council of the Chicago Association of Commerce, Homer Buckley, president advertising council, presiding. Address, "Advertising and Its Legislative Aspects," Fred I. Zimmerman, governor of Wisconsin.

Tuesday Afternoon: Group Sessions, 2:00 to 5:00—Life Group, Private Dining Room 1; Casualty Group, Private Dining Room 3; Fire Group, Private Dining Room 5.

Tuesday Evening: Informal Dinner, General Session and Dance, Leon A. Soper, past president, presiding.

Is Investigating Contracts

Superintendent Beha of New York has been looking into the writing of group covers for physicians and dentists liability insurance. Some of these indicate a contract agreement of friendly testimony to resist claims against members amounting to almost to advanced conspiracy to defeat or retard justice. He has called the attention of all casualty companies to this practice and has asked them for statements as to what contracts having this condition they have issued. This condition includes the members of a group warranting that they will without charge or fee appear and testify on behalf of a fellow member who is sued for alleged malpractice.

Massachusetts License Issued

License to do business in Massachusetts has been issued to the Glens Falls Indemnity, to write fidelity and surety, accident and health, general liability and automobile liability, collision, property damage, burglary and plate glass. John H. Craig of Napick has been appointed state agent.

L. S. Bache Dies

In the sudden death of Leopold S. Bache, of this city yesterday, the New York Casualty lost a valued vice-president and the banking interests of the metropolis a prominent and respected figure. Mr. Bache was 61 years of age and was a partner in the financial house of J. S. Bache & Co.

The accident department of the Mountain States Life of Hollywood, Cal., has been licensed in Nebraska and its policies forms have been approved by the insurance department.

BUILDING SHOWS FALLING OFF

With Few Exceptional Territories the Construction Slump Is Continued With Prospects Poor

Building construction during September continued to show a decrease from last year's total, according to the F. W. Dodge report issued this week. September construction contracts in the 37 states east of the Rocky Mountains, the district covered by the report, amounted to \$521,611,000, a decrease of 6 percent from the August total and 7 percent from the total for September of last year. Construction in these states includes about 91 percent of the total in the country and reflects the business as a whole. New construction started in this section during the first nine months of the year amounted to \$4,796,482,100, a decline of about 1 percent from the total for the same period of 1926. Contemplated new work totals \$627,291,700, an increase of 1 percent over the same month of last year and a decrease of 9 percent from the August figure.

The greatest building slump is reported in the northwest, including Minnesota, the Dakotas and northern Michigan, where the September figures represent a decline of 44 percent for August and 40 percent from September, 1926. The nine months' figures in this district show a decline of 18 percent from the same period of last year and contemplated new work represents an increase of 10 percent over August, but a decline of 26 percent from September of last year. New York state and northern New Jersey show a decrease of 25 percent from August and 28 percent from September of last year. In the central west the September figures show a slight increase over August and a decrease of 3 percent from September of last year.

While the other sections were showing decreases, the middle Atlantic states reported a record September total, an increase of 11 percent over August.

PERSONAL GLIMPSES OF CASUALTY MEN

Van Lear Black, chairman of the board of the Fidelity & Deposit, arrived in New York City from Europe Sunday morning. While abroad Mr. Black made extensive air flights, traveling in all nearly 20,000 miles in 39 days. In the course of his journey his plane was assailed by monsoons on the Indian Ocean and once when "taking off" at Burma, a herd of elephants charged before the plane could get more than seven feet above them.

Delegates to the convention of the One-Two-O Club, life department, Continental Assurance, held in Chicago last week, bought a radio receiving set for Dr. Harry W. Dingman, medical director of the Continental companies, who is in University Hospital, Chicago, recuperating from an operation, and presented it to him in his room. Dr. Dingman was operated for duodenal ulcer last week. When the presentation was made he was so overcome that for some minutes he could not speak. When words finally came they were: "They are the best damned bunch of fellows in the world." Dr. Dingman was scheduled to address the convention, and sent his regrets that he was unable to attend.

H. P. Jackson, president of the Norwich Union Indemnity, acted as chairman of the golf committee at the big White Sulphur Springs casualty convention. Mr. Jackson was one of the hardest working committeemen at the meeting. Perhaps there is no responsibility that requires such infinite tact, resourcefulness and patience as chairman of the golf committee. The chairman must satisfy everyone. He is the repository for all complaints, requests, suggestions, commands and threats. Mr.

APPOINTMENTS ANNOUNCED

American Bankers Has Closed Some Important Arrangements for Minneapolis and Other Sections

Agency appointments of importance are announced by the American Bankers, Jacksonville, Ill.

O. W. Nystum, formerly with the company at Minneapolis, has been appointed to represent the American Bankers as general agent in Chicago. More recently Mr. Nystum has been connected with a western company, covering California.

J. C. Booth has been appointed general agent in its life department at Saginaw, Mich.

W. F. Untiet, secretary and general manager of the American Benefit Association, has been appointed general agent for northern Ohio.

H. W. Hendrickson and N. A. Severson of Des Moines, Ia., have been appointed as special agents in the health and accident department for Iowa. They were connected with the Ritter agency for a number of months prior to the death of Mr. Ritter. E. J. Linde of Des Moines, several years assistant to George Ritter, deceased, has been appointed manager of the Des Moines office at 224 Iowa building.

last and 24 percent over September of last year. In the middle Atlantic states the nine months' total represents an increase of 11 percent over the same period of last year, but contemplated work shows a decline of 12 percent both from August of this year and September of 1926. The Pittsburgh district reports a record September total, though it is a slight decrease from August. In the southeast, the September total is 20 percent more than August and slightly over the total of September, 1926, though the nine months' period is 22 percent below last year.



H. P. JACKSON
President Norwich Union Indemnity

Jackson took everything in good turn, did a fine piece of work and was given an ovation at the banquet. He is one of the leading executives, a man young in years, but a profound student of his business.

George Tramel of Chicago, manager of the Aetna Life and affiliated companies in Chicago and northern Illinois, is celebrating this month his 25th anniversary in the Aetna Life organization. Mr. Tramel started Oct. 20, 1902, as manager of the casualty department of Marsh & McLennan, which then had

the Aetna Life. When the company organized a branch office, Mr. Tramel was appointed manager. He has been a great developer of business, an organizer of brokers and agents and has associated with him in his organization men of fine caliber. The Aetna Life put on a combined residence drive in October and will feature Oct. 20 in Mr. Tramel's territory in his honor. The work is in charge of E. O. Wagoner, superintendent of agents in the Chicago branch.

Mr. Tramel is now one of the veterans in the business in Chicago. He started as a solicitor for the late James W. Nye, who at that time had the old American Casualty. Later he became connected with the Chicago office of the Frankfort General. He developed into a strong personal producer. Mr. Tramel is a man of dynamic personality. He has recognized the value of constructive advertising, taking advantage of every opportunity to further the cause of his organization and company. He is recognized as one of the great apostles of good cheer and sunshine.

Edward A. St. John, president of the National Surety will address the General Brokers Association of New York City next Monday evening.

Edwin C. Irelan, who has been appointed supervisor of agencies of the Maryland Casualty, has had a very valuable experience. He has been assistant in the agency department since becoming connected with the Maryland Casualty in 1913. Mr. Irelan started with the old American Bonding as stenographer for D. A. MacBeth, who was superintendent of agents. He was made assistant superintendent of agencies and later was elected assistant secretary of the company. Later he joined the Maryland Casualty. Mr. Irelan was present at the casualty convention at White Sulphur Springs last week.

Mr. Irelan holds the degree of bachelor of law. He studied law at the University of Maryland. On graduation



EDWIN C. IRELAN
Promoted by Maryland Casualty

from the university he immediately went to the service of the old American Bonding. John T. Stone resigned from that company to assume the presidency of the Maryland Casualty that had just been organized.

Urges Compulsory Law

LOUISVILLE, Oct. 12.—Jay W. Harlan, managing director of the Kentucky State Chamber of Commerce, has sent letters to four automobile clubs in the state, in an effort to enlist their cooperation to make Kentucky highways safer and curb reckless drivers. He suggests several legislative actions. First that the owner of every car be forced to carry liability insurance; second, that all operators of cars be licensed, and that an examination as to qualifications be required before the issuance of a driver's license; third, that state police patrol the highways.

WORKMEN'S COMPENSATION

HEARING IS HELD IN KANSAS

Companies Present Statistics to Department and Show Need for 13 Percent Increase

TOPEKA, KANS., Oct. 12.—The National Council on Compensation Insurance is conducting an earnest fight to secure higher rates for compensation insurance in Kansas. When the new compensation law went into effect, the companies filed a schedule of rates for the new law which sought an increase of 11.4 percent over the rates then in effect and which had been in effect since March 1. Following a long series of hearings William R. Baker, insurance commissioner, refused to allow the increase and granted a schedule providing for a decrease of 5 percent from the rates of March 1, knocking out the increased rates then in effect and the proposed 11 percent increase for the new law.

The companies then asked for a rehearing and this was held Monday, when the companies presented a complete exhibit showing just what the new compensation law does on the basis of the business transacted by the companies during the policy years of 1922, 1923 and 1924, the full complete years available at this time. On the basis of the actual payments of compensation during those three years and the application of the new rates of the new law to these actual payments, the companies contend that they must have an increase of 13 percent in the present rates for compensation insurance.

The National Council required all of the companies writing business in Kansas during the three years to submit reports of every compensation payment,

including those companies which have withdrawn from the state or gone out of business. The companies had a definite factor to figure on most of the items, but had to calculate a factor for the increase in medical fees and the temporary disability items. No action was taken by the department on the figures, as the employers sought time to check the figures against their own reports and the department actuaries also want time to study and check the figures submitted.

Must Pay for Baseball Injury

LINCOLN, NEB., Oct. 4.—Compensation Commissioner Kennedy has held that an employee injured while playing baseball with a team sponsored as an advertisement by his employer is entitled to draw compensation and has ordered the Travelers, carrier for the Evans Model Laundry of Omaha, to pay George Roth, salesman for the laundry company, \$147.50. Roth broke a leg stealing third base while playing as a member of a team made up entirely of employees.

Sawmills Can't Get Coverage

PIERRE, S. D., Oct. 12.—The operators of small sawmills in the western part of South Dakota are having trouble in securing workmen's compensation carriers. The carriers claim that the manner of operation of saw mills "out in the woods" is too heavy a risk to warrant them in writing the insurance and many of these mills which employ from a half dozen to 20 men are working without compensation insurance, alleging their inability to secure insurance protection from any of the authorized companies operating in this state.

Need Not Pay Asylum Charge

LINCOLN, NEB., Oct. 12.—The employer of an injured workman whose injuries set up a latent paresis and caused him to be permanently incarcerated in a state

"Let's Go" will put
money in all
your pockets



New National Surety Company Plans

*For Development
of New Business*

**Will Put Money in the
Pockets of all Agents
who are Willing to
Adapt New Ideas**

If you would like to increase your present income, regardless of where you are or what lines you are now handling, it will be well worth your while to get in touch immediately with us.

Address E. M. ALLEN, Vice President

NATIONAL SURETY COMPANY

WM. B. JOYCE, Chairman

115 BROADWAY, NEW YORK

E. A. ST. JOHN, President



A FEW POINTERS ON THE STANDARD

Consider them before making any other change.

• An American Company of Casualty and Bonding specialists that for 43 years has grown to over \$21,000,000 in assets—and has over 5000 representatives.

• A nation-wide organization of expert inspectors, auditors, safety engineers and claim adjusters to serve you.

• An organized Advertising Department—ready to furnish you with direct mail, newspaper or magazine campaigns, sales ideas and suggestions to help increase your local business.

• A friendly company—with complete lines of coverage.

• A company that has pleased both agents and assureds year after year.

It will pay you to investigate the

STANDARD ACCIDENT INSURANCE COMPANY

Detroit, Michigan

*One of the Oldest and one of the Largest
Casualty and Bonding Companies of America*

**FULL COVERAGE
AUTOMOBILE CONTRACT**
Embracing
**FIRE
THEFT
PUBLIC LIABILITY
PROPERTY DAMAGE
COLLISION
TORNADO**

Established 1870



**HEALTH
ACCIDENT
ANNUAL
SEMI-ANNUAL
QUARTERLY
MONTHLY
PLAN
SPECIAL AUTO
ACCIDENT**

*Desirable Open Territory in
OHIO, INDIANA, W. VIRGINIA, PENNSYLVANIA and KENTUCKY
Write Agency Department*

THE AMERICAN LIABILITY CO.
CINCINNATI

hospital for the insane is not liable for the payment of fees charged by the state for the keep of such patients, says the supreme court in the case of Meyers vs. Jarolimek, from Douglas county, but such incarceration does not relieve the employer of the payment of disability benefits where there is a dependent. The court found that a stepdaughter, the only remaining member of the Meyers family, is a dependent under the law. Jarolimek claimed that he paid taxes for the support of the hospital and this disability award was a double indemnity. The court held that the only exemption available to him was that of paying the \$16.10 a month the state law requires of the families of patients where there are no dependents who would be deprived of a part of their proper support by such payment. The court says that the law makes the estate and not the employer liable.

Public Officials Not Covered

Elected state, county or city officials, who are injured during the course of their public duties cannot claim compensation from the state workmen's compensation bureau in North Dakota, according to a ruling by the attorney general's office. The point was presented by the workmen's compensation bureau after it had received a claim from a county official in Beach, N. D. Reviewing the law governing the case, the attorney general held that since only employees and employers are designated as those protected by the state compensation law a public official cannot participate in its benefits, since he is neither an employer nor an employee.

Big Loss in Wisconsin

APPLETON, WIS., Oct. 12—A big loss was incurred at the mill of the Kimberly-Clark Paper Company near here last week, when six employees were killed and 25 injured in the wreckage of a part of the paper plant. The heater mill of the plant collapsed, a strong steel concrete structure. The cause is unknown, though a construction crew was at work replacing some wooden flumes in that portion of the building at the time of the accident.

Hearing on Rate Increase

ST. PAUL, Oct. 12—The Minnesota compensation insurance board opened a hearing in St. Paul on Tuesday for the purpose of reviewing the request of the Minnesota compensation rating bureau for rate increases. The general increase level is estimated at 36 percent. Increases together with some decreases are asked in the rates and minimum premiums for 149 classifications, while the proposal recommends no change in the balance of approximately 550 classifications.

Rules Tornadoes Exempt

MILWAUKEE, WIS., Oct. 12—The recent tornado in St. Louis has brought up an interesting question for the industrial commission of Wisconsin in connection with workmen's compensation insurance, which the commission has answered. A salesman for the Brandt Automatic Cashier Company of Watertown, Wis., while going about in his regular work at St. Louis, was caught in the tornado and injured. The commission has ruled that he is not entitled to benefits under the workmen's compensation act because his injury cannot be diagnosed as having arisen out of his employment as a salesman and there is no liability where employees are hurt by so-called "acts of God."

The compensation law provides benefits for wage loss and medical expense incurred because of injuries arising out of and in the course of employment, according to the commission, but the law does not cover disabilities incurred through hazards which are not met outside of the employment and to which the public generally is equally exposed of from "acts of God."

Kansas Results Tabulated

TOPEKA, KAN., Oct. 4—John H. Crawford, head of the compensation division of the Kansas public service commission, has completed the tabulation of the work of the division for the first three months the Kansas compensation law has been in effect. The report shows that 52.4 percent of the total compensable accidents have been settled in full or are in process of settlement and initial payments made. Insurance companies or employers have paid \$44,706

in compensation and \$8,542 in medical fees and hospital and funeral expenses in the three months ending Sept. 30.

It is estimated that in 60 percent of the accidents in the state some compensation will be paid, in addition to the medical fees.

Teacher Hit by Stone, Covered

RICHMOND, VA., Oct. 4—According to an opinion by Parke P. Deans, member of the Virginia industrial commission, Mrs. Sallie D. Wise is entitled to compensation under the Virginia compensation act for injury sustained when she was struck in the eye by a stone alleged to have been thrown by a woman patron of a school she was teaching in Rockingham county. Commissioner Deans found that the accident arose out of and in the course of employment.

Ohio Compensation Rulings

COLUMBUS, O., Sept. 27—The Ohio workmen's compensation commission has refused an award to Marly Cumley, who threw her jaw out of place while at work in a laundry. The company for which she worked, as well as the physician who attended her, said she did not suffer her injury as an incident to her employment. The commission also refused compensation to Carroll Hunt of Fremont, who was bitten by a spider. The commission held that while he suffered his injury while at work, the accident was not a result of such employment.

Eugene Labell of Akron was granted an award for the loss of one eye. He got a foreign substance in it while he was at work. The hearing showed that since he lost the sight of his eye he has obtained employment as an elevator operator and is making more money now than he did before.

The commission rejected a claim filed by relatives of Steve Betusack, deceased, of Cleveland, an upholsterer. It was shown that the man put tacks in his mouth while at work. Lacerations which these tacks caused resulted in blood poisoning and ended in his death.

Comments on Industrial Accidents

WASHINGTON, D. C., Oct. 5.—Accidents in industrial plants show that the adjustment of the organization to its work has not been solved, and usually is evidenced also in production figures, it is declared in a report on safety in industry submitted to the American Engineering Council by Albert W. Whitney of New York, general manager of the National Bureau of Casualty & Surety Underwriters, to be considered at a meeting of the administrative board of the council at York, Pa., Oct. 20-21.

"While there has been a recent increase in the hazard of industry per man-hour," Mr. Whitney commented, "production per man-hour has increased so much more rapidly that the hazard in terms of production has decreased. Today a barrel of flour, a pair of shoes, an automobile or a barrel of cement can be made with less loss of life and limb than ever before."

"The first years of the safety movement were spent in clearing up the accumulated bad conditions that were the result of years of neglect, and the results were relatively easy to produce. The new safety movement will be very different for it will have to meet not static conditions, but the increasingly difficult condition of an industry that is continuously growing more intense."

Tips Part of Earnings

MADISON, WIS., Oct. 4—In the case of Eugene Volz vs. Boynton Cab Company of Milwaukee, just decided, the employer and the insurance company claimed that tips received by cab drivers are not to be considered in determining their average weekly earnings. The industrial commission did not accept this view, but held that tips received by employees in the course of their employment and with the permission of their employers are part of their earnings.

Many New York Eye Injuries

NEW YORK, Sept. 28—For injuries to eyes of employees compensation payments totaling \$1,703,235 were made in this state last year, according to the department of labor report. Only a few other injuries, such as the maiming of a limb, proved more expensive than eye injuries and in the actual loss to the worker and suffering beyond any handicap in his work, eye accidents, Commis-

stoner James Hamilton stated, stand first.

Two workers died and ten were blinded as a result of accidents in the course of their work during the year. Three of the cases of total blindness came from explosions, but the fatalities and one case of blindness were caused by small flying particles. In the same period 785 workers permanently lost part or all of the sight of one eye and 2,150 suffered injuries that lasted more than a week but did not impair vision.

In addition to the permanent injuries, Mr. Hamilton said, there were more than 1,000 eye injuries due to hand tools or

flying particles, where there was no permanent loss of sight but where the compensation bill alone amounted to \$58,905 for one year.

Wisconsin Commissioner's Report

MADISON, WIS., Oct. 4.—The industrial commission reports that for the fiscal year ending June 30 indemnity for wage loss paid in compensable cases amounted to \$3,596,607 and medical expense \$1,146,441. The average indemnity amounted to \$166 per case and the average medical expense \$53 per case.

WITH BURGLARY UNDERWRITERS

JEWELERS' PROTECTION POOR

That Is Why They Are Penalized by High Burglary Rates, Milwaukee Convention Speaker Says

MILWAUKEE, Oct. 12.—The jeweler has been penalized with an insurance premium of 20 times the rate a banker is required to pay in most states, because of lack of adequate protection against robbery, according to John W. Young, vice-president of the Federal Laboratories of Pittsburgh, who spoke before the national convention of the American National Retail Jewelers Association here. In his opinion, the crime wave is not over and will continue for a number of years, and the only way to stop from supporting crime is by increasing the protection above the average of one's neighbors and remove the temptation, for the bandit is hunting the easiest job he can find.

Mr. Young pointed out that the jewelers come in for their share of the losses every year, because they have coveted valuables, there are difficulties encountered in developing protection that meets the needs, and because the jewelers are not organized as well as

other associations to prevent a holdup by meeting the bandit with physical resistance on his premises.

Mr. Young brought out the thought that capturing the criminal is approaching the problem of the crime wave from the wrong angle, and he believes the better way is to prevent the crime by preparing against it, and by keeping the merchandise better protected by methods of handling it in the store. He urged them not to fill up windows with large displays of valuable jewelry, not to fill and empty diamond cases while the front doors are open, to show only one tray of jewels at a time and to replace this in the shelf before bringing out a second tray, not to take strangers in the diamond room, and to stand near an alarm control station while waiting on a customer.

"The insurance companies are willing and anxious to cooperate with the jewelers to reduce the existing hazards and make them a more desirable risk," he said. "The jeweler is now considered about the worst risk insurance companies have."

Nebraska Burglary Losses

LINCOLN, NEB., Oct. 4.—Burglary writing companies have been hit for

something like \$18,000 as a result of half a dozen recent bank robberies at various small towns in the state. The heaviest loss was at the Milford State Bank, where over \$12,600 was secured. All of it was insured.

The Milford bank robbery introduced for the first time in Nebraska the use of the acetylene torch to burn through manganese steel. The 3,000-pound steel safe there had been turned over on its side and a hole four inches wide burned through six inches of metal. Water was poured into the hole until the metal was cooled off sufficiently to permit a hand to be inserted.

Loss Paid on Stolen Coal

The Globe Indemnity recently paid a claim under a residence burglary policy for a loss on a ton of coal. An assured in taking out a policy of this kind would perhaps not think of coal as being something that burglars would be interested in.

Mutual Case Is Pending

LINCOLN, NEB., Oct. 12.—The case of the Federated Merchants Company of Lincoln, which was recently reported decided by the court in favor of the mutual organization, is not yet completed, but is pending in the supreme court of Nebraska. Action was brought to question the relicensing of this burglary mutual. The case arose on demurrer to the petition of the state and the court sustained the demurrer of the

Federated Merchants. Later at the specific request of the state, in order that appeal might be made to the supreme court, the court dismissed the plaintiff's petition. That being a final order the case was docketed for appeal to the supreme court, where it will be argued in proper time.

Page Succeeds Miss Powers

Miss Helen Powers, who has been burglary underwriter in the Chicago office of the New Jersey Fidelity & Plate Glass for several years, is leaving this week to be married. Miss Powers is succeeded as burglary underwriter by Percy Page, who was formerly with the New Jersey in the Chicago office and is now returning to take charge of the burglary department.

Insurer Held for Loss

SPOKANE, WASH., Oct. 4.—Harry W. Smith and Will Maylon, who ran the Auditorium theater when the safe was blown last New Year, are entitled to recover the face of a \$1,000 burglary policy, Judge Witt has ruled.

The Ocean Accident refused to pay the insurance, declaring the money was locked in the safe, but was not locked in the compartment as the policy required. Judge Witt ruled that as the money was in the safe and the outer door was locked the policy protected the owners. The judge also allowed the theater owners \$80 costs required to repair the safe.

ACCIDENT AND HEALTH

HOLD THE STATEMENTS FALSE

United States Circuit Court of Appeals Hands Down Decision Favoring Union Indemnity

The United States Circuit Court of Appeals in the fourth circuit has decided for the Union Indemnity in a suit

brought against it by Abner F. Dodd and Mabel K. Dodd. It came up from the eastern district of Virginia. In an application for insurance the applicant stated that he had not received indemnity for accident or illness. The answer was false, and deceived and misled the insurance company into issuing a policy. The court held that representations of this character are material and

Assets

\$1,798,236.49

Surplus to Policyholders

\$523,346.70



HOME OFFICE BUILDING :: HAMILTON, OHIO

THE OHIO CASUALTY INSURANCE COMPANY

FULL COVER AUTOMOBILE . LIABILITY . PLATE-GLASS . BURGLARY . BONDS

Writing Casualty Insurance Fidelity and Surety Bonds



FEDERAL SURETY CO.
HOME OFFICE DAVENPORT, IOWA



Good policies, good service and a good company
put opportunity right under a salesman's
arm. Therefore, Continental is an
opportunity for salesmen.

Continental Casualty Company

H. G. B. Alexander, President

CHICAGO

Casualty Insurance

Surety Bonds

may void the policy and warrant its cancellation.

Abner Dodd, who resided at Emporia, Va., shortly before the issuance of the accident policy became the agent of the company. He stated that he had never received indemnity except in 1918 from the Employers Liability for a dislocated shoulder. In answer to the question "My average weekly earnings exceed the total single weekly indemnity under all policies which I have or have applied for except as follows:" the answer was "no exceptions."

On March 9, 1926, Dodd was injured by having part of his foot shot off. He claimed that it occurred while he was cleaning a shotgun. The company defended on the ground that Dodd had injured himself intentionally and upon the further ground that in the application he had made false representation as to material facts. The insurance company moved to instruct a verdict for the defendant which was overruled. The jury found for the plaintiffs. The defendant moved the court to set aside the verdict of the jury which motion the court sustained as to Mabel K. Dodd but overruled as to Abner F. Dodd and gave judgment in favor of him for \$15,000. The higher court held that the statements made in the answer as to indemnity paid were admittedly false and the plaintiff knew it. The court declared it was material to the risk and hence reversed the lower court.

Inter-Ocean's Deal

The Inter-Ocean Casualty of Cincinnati has reinsured the accident and health business of the United American Life of Macon, Ga., in Georgia and Florida and established a department at Jacksonville, Fla., for the Georgia, Alabama, Mississippi and Florida for mail order monthly accident and health with N. W. Awlread in charge. Mr. Awlread was formerly manager of the accident and health department of the United American Life, which is now retired from business. President J. W. Scherr of the Inter-Ocean was in Jacksonville last week closing the deal.

Complete Training Course

Robert F. Sears, Jr., Hugh A. Tuttle and Eugene R. Buss, Jr., connected with the Chicago branch office of the Travelers, have just completed a four weeks' training course in life, accident and group insurance at the home office of the Travelers. All three are field assistants of the Chicago branch office. Ten other field assistants of Travelers branch offices from other cities were members of the class. All were especially selected men who had completed the field guide course of the company and who had complied with other requirements to make them eligible for the training. Mr. Tuttle for nine years was employed by the Illinois Steel Company of South Chicago.

Hawley Foundation Formed

Articles of incorporation of the Hawley Welfare Foundation were filed in Des Moines last week. A community trust fund is thus provided available to assist organizations or individuals without regard to race or religion. Henry B.

Hawley, president of the Great Western of Des Moines, is organizer and president of the foundation. Funds for successful operation are already provided.

Slocum Made General Agent

W. L. Slocum, for several years a claim adjuster in the franchise department of the Provident Life & Accident, has been appointed a general agent for the same department in the territory comprising the southern part of Florida, with headquarters at Miami.

Forming Cornhusker Casualty

LINCOLN, NEB., Oct. 12.—The Cornhusker Casualty, writing insurance against accidental injury or death under the mutual assessment plan, has secured the approval of its incorporation articles by Commissioner Dumont. Its headquarters are at Hastings and the

incorporators are Elbert J. Latta, W. C. Cooper, W. E. Shipton, C. W. Foote, J. T. Bigline, F. G. Johnson, W. W. Maltman, W. W. Stephens, T. L. Youngblood and C. O. Wilson.

Places Group Contracts

The Washington Fidelity National of Chicago has recently placed group accident and health policies providing weekly benefits to the employees of The United States Gypsum Co., Chicago; Massachusetts Institute of Technology, Boston; Providence Lithograph Co., Providence, R. I.; Arnold Bros. Packing Co., Chicago.

Southern Surety New Policy

The Southern Surety has announced a new combined accident and disability policy, known as the "president's disability policy," which pays full indemnity for nonconfining sickness, pays both surgeon's fees and hospital or nurse's charges, in addition to other indemnities on either accident or sickness; contains non-cancellable and incontestable provisions, pays principal sum for death within 120 days from date of accident, regardless of existence of total or partial disability; does not require that total or partial disability must begin on the date of the accident causing such disability. Both male and female risks are accepted, ages 18 to 60.

Change Rules on Football Players

The Business Men's Assurance has made a change in its rule in regard to writing accident and health insurance on college and university students playing football, or on any group playing football. Heretofore the company has issued policies to those playing on football teams on a quarterly basis. The claim experience was so unfavorable that it has been decided to write those engaged in playing football for combination Class E policies on the annual basis only.

Sentinel Life's New Policy

A new life, health and accident policy has been announced by the Sentinel Life of Kansas City, called the "all-time personal protection policy." The life coverage provides for payment of \$5,000 at age 65, or for death before that date, or \$39.50 monthly income for life after age 65. Accident coverage provides for \$10,000 payment for death from accidental bodily injuries, or \$15,000 for death from special accidental bodily injuries occurring while traveling, or from explosion, fires, cyclones or lightning; loss of sight of both eyes from accidental bodily injuries, \$5,000; loss of hands, arms, feet or legs, \$5,000; with double indemnity for special injuries. The health coverage provides monthly indemnity for total disability from sickness or disease, house confinement not required, \$100.

Two Concerns Licensed

The Oklahoma Life & Accident of Frederick has been licensed by the Oklahoma Insurance department. The Oklahoma Protective Association of Chickasha has also been licensed, this being an assessment company with R. W. Pierson as president, and C. L. Devere as secretary-treasurer.

Casualty Notes

J. M. Williams, who has been a special disability division representative of the Continental Casualty for most of the past four years, has now established his headquarters in Cincinnati in the office of A. E. Crouse of the same company. Mr. Williams is working the railroad terminals in Ohio and Kentucky.

License to do business in Illinois has been issued to the Glens Falls Indemnity.

Harry F. Miller of Floral Park, L. I., has been appointed general agent for casualty business by the New York Indemnity, as has P. M. Edge of Charlotte, N. C.

The Massachusetts department has licensed the Massachusetts Casualty for accident and health insurance. The company has \$100,000 capital and the same surplus. E. Prescott Rowe is president.

The New York Indemnity announces the appointment of Hollis, Perrin & Kirkpatrick of Boston as general agents for casualty lines, and E. R. Elliott & Co. of Baltimore as general agents for fidelity and surety.

J. Ross O'Neill has resigned as assistant manager of the bonding department of the Philadelphia office of the Royal Indemnity to become office manager for the insurance brokerage firm of Lukens, Savage & Washburn.

AMONG SURETY MEN

CHICAGO ASSOCIATION MEETS

Committees to Nominate New Officers and Plan for Annual Meeting Are Named at Dinner Session

Last Tuesday the Surety Association in Chicago held its first meeting since March. Richard E. Cline, superintendent of the bonding department of the Aetna Casualty & Surety and president of the association, presided as chairman. William French, vice-president of the Royal Indemnity, and Frank Chandler, vice-president of the New York Indemnity and father of Indiana Insurance Day, were present as guests and made brief talks.

A. C. Arnold, manager of the bonding department of the Standard Accident, Gordon H. Fox of the New Amsterdam Casualty, and John P. Keeyers of the Maryland Casualty were appointed a committee to nominate the ballot of officers to be voted on at the annual meeting in November. An entertainment committee to plan a program for the annual meeting also was nominated. As the acquisition cost rules situation is to be handled by a committee appointed before the meeting, the session closed with nothing done on this matter.

Await Surety Report

DES MOINES, Oct. 12.—Des Moines and Iowa insurance interests are tremendously interested in the coming report of Roscoe R. Gilkey, secretary of the Surety Association of America, touching the surety bond issue in Iowa. The surety bond issue in Iowa has become a tremendously large one because of the highway building program which is now in operation. When it is remembered that 55 counties have voted bonds to the amount of something like \$1,000,000 each, some idea of the extent of the bonding business can be formed because contracts by the score are being let by the state highway commission every week, and each contractor is required to give a surety bond sufficiently large to protect the state in the expenditure to be made.

Suit for \$100,000 by City

BOSTON, Oct. 13.—The Massachusetts Bonding and the Maryland Casualty have been made defendants in two suits by the city of Fall River, Mass., brought in the superior court at Taunton in the total sum of \$100,000. The suit is to recover on sureties given by John S. H. Lanigan, formerly city treasurer of Fall River, the declaration in each case stating that Lanigan was in default in large sums of money during the period the bonds were in force.

London Lloyds Is Active

Chicago surety men say that London Lloyds has become far more active in writing bankers blanket bonds. At one time Lloyds seemed to have retired from the field to a very large extent. London Lloyds cut a big figure in the bankers' blanket bond business in Chicago and other big cities. As the stock companies became more liberal they were able to drive London Lloyds in a corner. At that time it would seldom write a primary bond but would take excess coverage. Now it will write a primary bond as well as excess. Stock company men have realized that London Lloyds is coming back on account of the activities of a strong local broker in Chicago who has lined up some Lloyds groups.

Committee Ready to Report

NEW YORK, Oct. 12.—The special committee of the Surety Association of America, named some weeks ago to prepare a schedule of discounts for forgery bond rates where checking devices of different types are used, has about completed its task and will report to the organization at its meeting here Oct. 19.

NOW SIGNING THE BIG BOND

Mason & Hauger Arrange for \$3,000,000 to Support the Fulton St. Subway Extension

NEW YORK, Oct. 12.—Surety companies are now signing the \$3,000,000 bond required of Mason & Hauger, successful bidders for the Fulton St. section of the subway extension in this city, which is to cost close to \$22,000,000 and will require 54 months for its completion. Rates for the coverage were in accord with the revised rating schedule for this class of indemnity. Hoey & Ellison, placed the line, the originating surety being the Massachusetts Bonding. It is understood the deposited Mason & Hauger Bond stirred up a hornets nest and was responsible for the decision of the board of transportation to waive the surety bond requirement in all construction work under its supervision and to accept instead a cash deposit of five percent from contractors.

Arguing against such practice E. A. St. John, president of the National Surety, in a communication to the board of estimate, stresses the menace to the city of such procedure, instancing the heavy loss it would have been subjected to through the failure of the contractor for the Shandaken water tunnel to complete the work, the burden being taken over by the surety offices.

Bond for Aerial Photographer

MILWAUKEE, Oct. 12.—A contractor's bond will be written in Milwaukee within a short time to cover the photographer who is awarded the contract to make aerial photographs of the municipal sewerage plant on Jones Island here. It is the first time that such a bond is to be written in the city. The sewerage commission has advertised for bids on the taking of such photographs and will award the contract to the successful bidder when all bids are in. The photographer must furnish a bond for the amount of the contract for the successful completion of it.

Surety underwriters here see in this a new field for the contract surety bond and they will not be surprised if there is a further development of it in the near future due to the strides being made in aviation.

Raise Iowa Fidelity Rates

SIOUX CITY, IA., Oct. 12.—Doubling of fidelity bond rates has recently taken place in Iowa, affecting numerous political jobs. This 100 percent increase has affected bonds on all judges, clerks of district and county courts, all other court clerks, county attorney, county recorder, city, town and village clerks, city auditors, solicitors and attorneys and numerous other city officers. The rate for state treasurer has gone from \$3 to \$5 per \$1,000. Clerks in charitable institutions who handle money now take a rate of \$4 per thousand instead of \$3. Officers and employees of public utilities have been advanced from \$2.50 to \$4 per \$1,000.

Nominate New Officers

PHILADELPHIA, PA., Oct. 12.—At the October meeting of the Surety Underwriters Association of Philadelphia held here last week, A. J. Miller, manager of the bonding department of the Royal Indemnity, was nominated for president for the coming year. The other officers nominated were: Samuel J. Carr, American Employers, vice-president; J. B. Sandman, Eagle Indemnity, secretary; R. B. Devore, Hartford Accident & Indemnity, treasurer. The election will take place at the November meeting which will be a banquet and theater party Nov. 1. In addition to the officers nominated the following were nominated for the executive committee: William H. Bartley, Maryland Casualty; W. R. Parker, New Amsterdam Casualty; W. Stanley Kite, Hartford Accident; Frank B. Burdall, Massachusetts Bonding; Edward Hoopes, Fidelity & Deposit, and the president and vice-president of the association, ex-officio.



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THREE FIELD CHANGES MADE

Constitution Indemnity in Move to Cultivate States in Northwestern Field More Intensively

In consequence of a determination to cultivate its northwest territory more intensively and to establish closer agency contact, the Constitution Indemnity has made three changes in its Minnesota and Wisconsin, Michigan and Illinois fields.

Verne R. Hoar, who formerly worked out of the Detroit offices of the Travelers and the United States Fidelity & Guaranty in the Michigan field, and who last was in charge of the San Diego, Cal., office of the U. S. F. & G., has been made state agent of the Constitution Indemnity for Michigan, with headquarters in Detroit.

Elwood G. Harper, who formerly was in the local agency business at Minneapolis and who last was in the service of the Atlas in the Minnesota field as special agent, has been appointed special agent for the Constitution Indemnity in the Minnesota and western Wisconsin field. His office will be in the First National Soo Line building in Minneapolis. E. H. Warner, as executive special agent of the Constitution Indemnity in the northwest territory, has been handling Minnesota and Wisconsin and several other northwestern states.

Donald E. Chase, formerly Michigan state agent for the Constitution Indemnity, has been transferred to Chicago to act as the company's Cook county special agent.

PROPOSE CAPITAL INCREASE

Special Meeting of New Amsterdam Casualty Stockholders Called for This Week to Vote Approval

BALTIMORE, Oct. 12.—A special meeting of stockholders of New Amsterdam Casualty has been called for Oct. 14 to authorize a proposal of the directors to increase the capital of the company from \$2,250,000 to \$2,700,000. This will be accomplished by issuing 45,000 shares of new stock and offering them to shareholders of record Oct. 15 at \$56 a share in the amount of one new share for each five shares held. Payment is to be made in full on Nov. 1.

Expect Increased Dividend

In a letter sent to stockholders, J. Arthur Nelson, president of the company, also informs them that the directors expect the first quarterly dividend payable on the new stock Feb. 1, 1928, will be increased to \$2.80 a share per annum, thus making the new stock net the investor 5 percent on his holding. Current dividends are at the annual rate of \$2.70 a share on the \$10 par stock.

Sale of this additional stock will increase New Amsterdam's combined capital and surplus to more than \$9,000,000. It will bring the company's total reserves up to \$14,000,000, and its assets to above \$23,000,000. Mr. Nelson estimates the company's interest earnings on its investments during 1928 at about \$1,000,000, on which \$756,000 will be required to pay \$2.80 a share in dividends.

SOME RANDOM SHOTS NOTED ON WHITE SULPHUR SPRINGS GOLF COURSES

THE golf tournament is one of the big features of the casualty convention at White Sulphur Springs. The prizes donated chiefly by companies are magnificent and eagerly contended for. Each year the display of prizes attracts wide attention not only from those attending the convention but the other guests of the hotel. This year J. A. Gammons of Providence, R. I., won the "Fidelity & Deposit Challenge Cup," which is the premier trophy. F. R. Blossom of Chicago has won this twice and A. T. Buffington of Fall River once. It becomes the permanent possessor of the person who wins it three times. This cup is given for the lowest gross score the first two days of the tournament. Mr. Gammons made the course in 77 the first day and 82 the next. He is an old time athlete and formerly played on the football team at Brown University. His hair is gray but he is agile and easily topped all others on the golf links. The other prizes were as follows:

Tuesday's play—Low gross for agency player, George W. Blossom, Jr., Chicago; second, G. Arthur Howell, Atlanta; low net, Phil C. Braniff, Tulsa, Okla.; second, Glen Charlton, Lawrence, Kan.; third, Lee McGriff, Birmingham, Ala. Company players—Low gross, R. H. Thompson, Maryland Casualty; second, T. J. Grahame, New York City, Globe Indemnity; low net, James Morrison, Independence Indemnity; second, R. W. Watt, Royal Indemnity; third, F. A. Bach, Fidelity & Deposit. Guest prize winner, Lee J. Wolfe, New York City actuary.

Wednesday's play—Special prize for those handicapped over 18—low net agency player, D. C. Price, Chicago; company player, D. D. Smith, Detroit, Southern Surety. Special prize for player over age 45, low net, Roy Armstrong, Southern Surety. Special prize for best score on four special holes, R. I. O'Gorman, Newark, N. J. Low gross agency player, in regular tournament, M. R. Whitted, Cleveland; second, A.

J. Hunter, Baltimore; low net, Byron Conklin, East Orange, N. J.; second, B. W. McCluer, Kansas City. Low gross company player, first, Wilmot Smith, Aetna Casualty; second, E. R. Nuttle, Fidelity & Deposit; low net, Norman R. Moray, Hartford Accident; second, S. E. Williams, Hartford Accident.

Thursday's play—Special prize for those handicapped under 18—Low net, T. E. Braniff, Oklahoma City; company player, J. M. Haines, London Guarantee. Low gross agency player in regular tournament, Arthur P. Smith, Minneapolis; second, C. H. Burras, Chicago. Low net, S. V. Bogert, New York City; second, C. T. Daniel, St. Louis. Low gross company player, A. Duncan Reid, Globe Indemnity; second, Kenneth Spencer, Globe Indemnity. Low net, H. M. Marshall, Union Indemnity; second, D. St. C. Moorhead, United States Casualty.

Ladies' prizes, Tuesday's play—Low gross, Mrs. Evelyn H. Medaris, Toledo; low net, Miss Frances Henry, Pittsburgh. Guest prize, Mrs. Irene Brundage, Forest Hills, L. I. Putting contest, Mrs. Spencer Welton, New York City. Wednesday's play—Low gross, Miss Betty Welton, New York City; low net, Mrs. C. P. Daniel, St. Louis.

Horse shoe pitching contest—Winners, Omar Throgmorton, Little Rock; J. E. Williams, Indemnity Company of North America, St. Louis; C. W. Fairchild, Jacksonville, Fla. Workmen's Compensation Publicity Bureau; John R. Falconer, Louisville.

Bridge prizes—First, Mrs. J. W. Henry, Pittsburgh; second, Mrs. Helen Dunbar, New York City; third, Mrs. Nelson Sterling, Philadelphia.

The company committee on resolutions consisted of C. R. Miller, Fidelity & Deposit; W. R. C. Corson, Hartford Steam Boiler, and J. S. Phillips, Great American Indemnity. Its committee on nominations was F. Highlands Burns.

Maryland Casualty, William BroSmith, Travelers, and W. L. Mooney, Aetna Casualty. The agency committee on resolutions consisted of W. G. Wilson, Cleveland; Milton Whited, Cleveland, and G. Arthur Howell, Atlanta. Its committee on nominations was George D. Webb, Chicago; T. E. Braniff, Oklahoma City, and Charles S. Ashley, Jr., New Bedford, Mass.

Charleston, W. Va., sent a notable delegation, it consisting of Frank R. Bell, former president of the National Association of Insurance Agents; R. P. De Van, a present member of the National executive committee; C. R. Morgan, manager of the Southern Surety, and Henry Littaker.

On the evening of the banquet the National Surety and New York Indemnity sent to each lady attending the convention an orchid.

D. C. Price of Chicago, treasurer of the agency body, reported a bank balance of \$4,256.31 for that organization.

W. B. Burruss, who gave the address on Wednesday on "Shakespeare, the Salesman," formerly conducted an agency at Kansas City, Mo., and for many years was general agent of the Provident Mutual Life there. President Charles H. Burras, who introduced him, stated that undoubtedly he and Mr. Burruss sprang from the same original stock. He said, however, that a member of the Burras family some four centuries ago became a searover and ultimately figured on the Spanish Main as a celebrated pirate. Mr. Burras stated that this pirate changed his name to Burruss, and that W. B. undoubtedly sprang from this part of the family.

Governor Albert C. Ritchie of Maryland, who made a big hit by his address at the first meeting, remained during the entire convention and sat at the right hand of Toastmaster C. H. Burras at the banquet. Governor Ritchie was asked to introduce Miss Leslie Frick of Baltimore, a young woman who charmed the audience with her singing. Governor Ritchie said that he and Miss Frick's father were at one time members of the Johns Hopkins University Glee, Banjo & Mandolin Club and at one time performed at White Sulphur. President Reid of Globe Indemnity offered the vote of thanks at the close of Governor Ritchie's address the first day of the convention.

W. R. C. Corson, president of the Hartford Steam Boiler, was present for the first time and made a most excellent impression. President J. Arthur Nelson and Boyd Nelson, vice-president, his son, were in attendance, they seldom being seen at gatherings of this kind.

The National Association of Casualty & Surety Agents voted to send a committee to attend the meeting of the National Association of Insurance Agents at New Orleans next week, especially as the latter body is expected to discuss preferential commissions allowed non-policy writing agents. The committee consists of T. E. Braniff of Oklahoma City and G. Arthur Howell of Atlanta.

A telegram was read at the agency meeting from Holcomb G. Johnston, Washington, D. C., a member of the executive committee, who had been disabled for a long time and was unable to be away from home. It was voted to send a return telegram to Mr. Johnston expressing the good will of his fellow members.

Carl M. Hansen of the General Reinsurance appeared in check golf trousers which gave him high visibility on the golf links. R. H. Towner of the Towner Rating Bureau, equestrian extraordinary, appeared in a riding suit of stylish mode.

Wildman with the Globe

Louis M. Wildman has been appointed special agent of the Globe Indemnity and will travel out of the Chicago office covering all lines. He attended the Standard Accident home office school and then was assigned by that company to travel in Ohio. Later he was transferred to the southeastern states by the Standard Accident, making his headquarters at Atlanta, Ga.

RATE HEARING IS POSTPONED

November 1 Set as Date for Argument for Revision of Compensation Charges for Minnesota

ST. PAUL, MINN., Oct. 12.—At the request of the Minnesota Employers Association, the hearing on the proposal to revise compensation rates in Minnesota has been deferred to Nov. 1.

The hearing opened at the capitol Tuesday with a presentation of the proposals by J. F. Reynolds, manager of the Minnesota Rating Bureau. The employers were represented by T. D. O'Brien, former state insurance commissioner, who announced that he had been retained only a few days previously and had not had time to study the proposals. The request for delay was granted.

W. H. Oppenheimer, who has represented the employers at previous hearings, declined to serve again. The proposals call for 98 increases and 51 decreases, while 550 classifications are unchanged.

Attending the hearing were L. L. Hall of the National Council, and the following members of the rating committee of the Minnesota Bureau: R. B. Thomas, A. H. Stofft, representing stock companies, Messrs. Landy and Kingsley of the mutuals. Mr. Webber of the Lumbermens Mutual from Chicago also was present, as was C. H. Hood of Minneapolis.

Would Check "Ambulance Chasing"

NEW YORK, Sept. 28.—Casualty company executives are in hearty sympathy with the organized effort to be put forth by prominent attorneys and big business men of this city to effectually check the activities of "ambulance chasing" lawyers and crooked doctors in presenting "fake" damage claims for reputed physical injuries by corporation employees and others. There being no definite channel at present whereby lawyers guilty of the practice complained of may be properly dealt with, an association will be formed that will agitate for the creation of such an avenue, probably through the passage of a comprehensive law.

The extent to which "fake" damage claims are prosecuted in the metropolis is appalling and legitimate business is forced to pay heavily therefore each year. Organized gangs of claimants have recently been discovered, the operations of which have cost the casualty companies thousands upon thousands of dollars in the settlement of alleged injury cases. These claimants are now receiving attention from the authorities and it is hoped that the shyster attorneys mainly responsible for their presentation will be properly dealt with.

Seek Taxi Compulsory Law

DETROIT, MICH., Oct. 12.—As a result of a decision by the Michigan supreme court holding that the Checker Cab Company, of this city, is a non-profit organization of independent cab drivers and therefore not liable in a damage suit, the Detroit Council has, upon request, set Oct. 14 as a date for hearing on an ordinance requiring taxicab drivers to carry liability insurance for the protection of passengers.

The supreme court's decision was made on an appeal by Colin B. Fluegel as administrator for the estate of his son, Elmer E. Fluegel, from a verdict by a jury in Wayne County circuit court. Fluegel sued both the Checker Cab Company and Wilbur Goeringer, a driver, for damages arising out of the death of his son, Elmer, who was killed May 8, 1922 when he was struck by Goeringer's cab. The jury brought in a verdict against both defendants but the court set it aside so far as it concerned the taxicab company and awarded Fluegel a judgment of \$4,500 against the driver. The Michigan supreme court affirmed this ruling.

Smith Goes with McGee

James W. Smith, for the past seven years in charge of the agency department of T. H. Mastin & Co. of Kansas City, is now in charge of the liability department of Thomas McGee & Son, Mr. Smith was previously with the McGee office, but after his service in the war he went with Mastin & Co.

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COMMITTEE ON COSTS FORMED

Seven Chicago Men Will Work With National Body on Fidelity and Surety Acquisition Expenses

In pursuance of plans to straighten out the acquisition cost situation in the fidelity and surety line in Chicago, the following committee of seven has been appointed to work with the national committee on acquisition cost:

William H. Hansmann, chairman, Fidelity & Deposit; Gordon H. Fox, New Amsterdam; Richard E. Cline, Aetna Casualty; C. H. Burras, president of Joyce & Co., Chicago general agents, National Surety; W. G. Kress of Conkling, Price & Webb, general agents, Fidelity & Deposit; W. O. Schilling, United States Fidelity & Guarantee; J. L. Maehle, American Surety.

It has not yet been decided whether this committee will meet in person with the national committee or will work with it on the correspondence basis. The acquisition cost problem in the west is still far from a solution, and the western representatives of companies are not at all sure that it can be solved by anyone excepting the executives of the companies involved.

PHIL'S PHILOSOPHICAL PEREGRINATIONS
(CONTINUED FROM PAGE 35)

Brody at taking a chance with bridge. He nearly strained the family relations when he referred to Tom as my father. From then on I felt younger and Tom quit telling about his operation.

W. A. Edgar, that dignified gentleman from Baltimore, got some drives that made Paul Revere turn over, but his putts were about as straight as a last year's trusted employee.

J. G. Yost was busy F. & D'ing, but between time got in some golf. He came within a couple of strokes of getting some silver.

Lee J. Wolfe was busy trying to win a barometer. He wanted to carry one around so he would know when to go in if it rained.

George Turner was there with 19,684 new stories. On the gold course, he got his story telling mixed up with his putting, and when he missed a short one, he said: "&%\$!#!(!!!—stop me if you've heard this one %!%&"

Well, they were all there. I certainly enjoyed seeing them and listening to them: "Dick" Thompson, who lends dignity to a convention and \$2 to me and whose iron hat has nearly caused trouble in my family by changing my Irish features and making me look like a pawnbroker, was there. F. Highland Burns kept traffic open on the ball room floor. Arthur Howell, who has an interest in an Atlanta cough syrup com-

pany, had a bad cold. Tom Braniff had a sore heel. He shot an 87 and cured it.

Lots of the fellows were making their first appearance. It will not be their last. They will come again next year with many others. The joint convention is a good idea. Occasionally some unpleasant thing may arise, but that is what it is for—to discuss the future of the business, pleasant or unpleasant. One hears criticism occasionally. The golf prizes may be expensive. I won one. Now I would have appreciated a 10-cent handkerchief, but I want to tell you that H. G. B. Alexander's clock was expensive and I appreciate it. The cost doesn't matter. He was a splendid fellow to donate it. It'll be the only thing in my house that'll ever "strike." I hope he gets a few thousand dollars' worth of new business every time it rings, and I'll keep it wound up.

Well, see you next year. The whole party was interesting to me. The banquet was a peach, and Charley Burras gave away silver prizes with speeches attached. If my legs hold up and my hat sticks on and my business grows and my creditors don't get excited, I'll see you again next year. Doggone, I had a good time!

Opens Cincinnati Office

The Hartford Accident & Indemnity has opened a special office in Cincinnati in connection with the A. W. Shell Agency for the handling of the fidelity and surety bond business. The new offices will be located at 1005 First National Bank building.

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By stock Casualty Company for Chicago and vicinity. State age, experience and salary expected. Address C-18, care The National Underwriter.

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(50/50) FORM



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INSURANCE EXCHANGE
CHICAGO



This Company Writes Plate Glass Insurance Exclusively

Write for Attractive Sole Agency Contract in Your Territory

COMMENTS ON LOSSES ON DEPOSITORY BONDS

BASIC WEAKNESSES SHOWN

Vice-President Abrahams of National Surety Says Lower Ratio Is Not Actual Reduction

NEW YORK, Sept. 28.—Surety companies writing depository bonds were able to show a profit upon the business in 1926 for the first time in a series of years, a fact attributable to the salvage recoveries on account of former losses. Reviewing the subject Howard Abrahams, vice-president of the National Surety and in charge of its depository bond department, said: "There have been 289 bank failures, with liabilities of more than \$104,000,000, during the first eight months of this year," he added, "and during the last six years and eight months there have been over 3,200 bank failures in this country, with liabilities in excess of \$1,125,000,000. "These failures occurred for the most part in states least able to stand them and constitute a serious indictment of the banking intelligence of this country," said Mr. Abrahams. "It has been demonstrated that guaranty laws are not panaceas for banking ills; that there are no substitutes for good, honest, capable bankers operating under up-to-date and well administered laws.

Cites Basic Faults

"There are too many banks. Charters are granted too easily. The capital requirements in many states are too low. In a study of 1,876 bank failures in 28 selected states, selected on account of numerous failures, from Jan. 1, 1922, to July 1, 1926, 778 or 41.5 percent, had capital of less than \$25,000. If we include those capitalized at \$25,000, the closures aggregate 1,115 or about 60 percent of the total. Of this total 323 were national banks and 1,553 were state banks. During 1926 about 50 percent of failures were in states classified as 'middle west.' If we include Georgia and Florida, in which states there were many failures, more than 75 percent of the failures were in this area.

"Something needs to be done to re-establish the confidence of the people in agricultural sections in banks. There is disagreement as to the remedy. State guarantee funds are delusions. They put a poor banker on a par with a good banker, as many depositors were under the impression that the state actually guaranteed payment of their deposits and that, hence, there was no need for care in selection of a bank.

Need Better Bank Laws

"It has been suggested that banks in a county should organize and function somewhat after the manner of clearing houses in the larger cities. In that way they could regulate interest payments on deposit, exchange credit information, submit themselves to examination by accountants and in many ways avoid the dangers incident to competition.

"This plan is open to objection on the ground that the banks are widely separated, hold-ups frequent, employees and officers would be subjected to greater temptations, and, in addition, would have to be away from their banks, entailing additional expense. A better plan seems to be to have the best people in the state, bankers, lawyers and public spirited citizens,—cooperate and strengthen the banking laws and see to it that ample funds are placed at the disposal of the banking commissioner, who must, of course, be an experienced administrator, not a political henchman, so that he may at frequent intervals make thorough audits. These laws should be patterned after the national banking act, as it is a well known fact that there are fewer failures of national banks and defaulting officials of national banks are more apt to be punished."

MEETING OF BUREAU IS FOUND INTERESTING (CONTINUED FROM PAGE 4)

and the Underwriters Adjusting Company, all affiliated organizations, were held. J. V. Parker, manager of the Western Actuarial Bureau, outlined the affairs of that organization, and Richard E. Vernor, head of its fire prevention department, told of the work being done in a systematic campaign to reduce the fire hazard in the western field.

During the course of the two-day gathering, keen interest was displayed in the St. Louis tornado situation, delegates comparing notes as to the probable amounts their respective companies would eventually be called on to pay as a result of the disaster. The figures ranged from \$100,000 to \$200,000, with admittedly little reinsurance. But one excess cover treaty, so far as could be learned, would be called on for contribution. Both Manager Rich of the Underwriters Adjusting and Manager Parker of the Western Actuarial Bureau were questioned at length as to their views of the St. Louis loss, and the particular issues that might arise in the progress of claim settlements.

Waiver Is Refused

To the appeal of the St. Louis agents that the companies waive the falling building clause in the fire contract, managers turned a deaf ear, holding that to grant a blanket waiver not only would work a hardship on the offices in this instance, but would establish a dangerous precedent. The course likely to be generally followed will be to sanction policy reinstatements, the amount of indemnity granted to be predicated on the value of the damaged property. In addition, mechanics' privilege will be allowed, a proper charge therefor to be enforced.

It was pointed out that in the existing condition of many of the storm damaged structures of St. Louis the fire menace has been multiplied to a considerable degree, chimneys being twisted out of true, inducing thereby the use of gas or oil stoves with their attendant dangers. It was further asserted that nearly 400 fire alarm boxes in the storm area had been made useless, and the street debris would greatly retard the progress of fire fighting apparatus.

Some St. Louis builders having shown a disposition to profiteer, trusted builders have been sent down from Chicago to aid the adjusters in arriving at proper damage estimates.

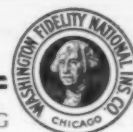
ACTION TO BE TAKEN ON BANK QUESTION (CONTINUED FROM PAGE 4)

Individuals connected therewith who are in a position to influence life insurance by exerting the power of credit or by the use of information confidentially acquired through deposits or loans or otherwise or when the earnings of the insurance department or individuals accrue directly or indirectly to such institutions." President Holman announced the appointment of a committee to call upon officials of the Bank of Italy and ascertain its intentions with reference to the solicitation of life insurance through its various branch banks and subsidiaries.

To Be World's Biggest

There is considerable interest among insurance men over the announcement this week by the Bank of Italy organization that it plans to bring the total capital investment to approximately \$500,000,000, the market value of the stock to exceed \$1,000,000,000. This will make this organization the largest aggregation of banking capital possessed by a single financial group throughout the world. There are three allied institutions in this group, the Bank of Italy, the National Bankitaly and the Bancitaly Corporation.

On an average there are a trifle under 1,500 fires in the United States every day—more than a fire every minute. And carelessness is the cause of between 75 and 90 percent of them all.



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WITH FACTS ABOUT

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When the Georgia Casualty speaks of Service—it means service plus, the kind that allows the agent to handle his own property damage adjustments if he so desires, that wins new clients and holds the old ones by a liberal adjustment policy.

The ratio of Assets to Liabilities is most favorable, one of the highest in the United States—denoting financial strength gained through satisfactory service.

The Georgia Casualty operates in thirty-nine states and has Surplus and Reserves to policyholders of \$2,581,582.80.

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W. E. SMALL - President

Atlanta, Georgia

Central Department

W. W. Heise, Mgr., 721 Insurance Exchange, Chicago

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Automobile Insurance**

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J. V. KENNEDY
Vice-President, General Manager

GIVES EXPERIENCE AS TO AUTOMOBILES

Travelers Shows That Accidents
Are Not Limited to Any
Special Class

FIGURES ARE STARTLING

Selected and High Grade Risks Show as
High a Claim Ratio as
Other Groups

HARTFORD, CONN., Oct. 12.—In connection with the discussion of automobile accidents recently at the annual meeting of the National Safety Council in Chicago, it has just been disclosed by the Travelers that apparently the preponderance of such mishaps is not limited to any particular class of motorists.

That the number of persons injured and killed in automobile accidents is as great in the older ages as in the younger is shown by the experience of the Travelers last year. Approximately 270,800 persons were injured with the Travelers in 1926 under accident policies, and of this number 6,896 were killed or injured in automobile mishaps, with disbursements under the policies aggregating nearly \$1,500,000.

Ratio in High Grade Risks

It has been ascertained that among high-grade risks there are approximately 27 fatal mishaps resulting from automobile accidents for every 100,000 unit of population, and 2,546 of every 100,000 who are either killed or injured.

These figures are regarded startling because they are based on adults and selected high-grade business and professional risks. The Travelers has a selected class of commercial accident policyholders who have measured up as good risks in every respect. Seventy-two of the 270,800 accident policyholders were killed in automobile accidents last year, for which the company paid their beneficiaries \$658,000. Ten suffered the loss of eye or limb for a payment of \$22,800, and 6,814 were injured otherwise, for which the company paid \$740,900.

The view is expressed that no matter how popular aviation may become, it is exceedingly doubtful whether aircraft mortality will ever reach one-tenth the present automobile fatality record, which in 1926 was in excess of 21,000, and which it is predicted will be even greater this year.

Club to Hear Speakers

At a meeting of the ways and means committee of the Insurance Club of Chicago held in the club last Tuesday plans were formulated for obtaining speakers for the luncheon meetings of the club, held the first and third Tuesdays of each month. The names of the speakers are not yet available. The committee also gave attention to the membership drive, which is now in progress and is netting good returns, and to the educational work of the club. The educational courses for the fall and winter season are complete. The first casualty lecture will be delivered Oct. 20, and the first fire lectures in the intermediate and senior courses Oct. 18. The school will meet in the committee room of the Insurance Exchange.

Ohio Case Is Advanced

WASHINGTON, Oct. 12.—The United States Supreme Court today ordered advanced to Feb. 20, next, the hearing of

arguments on the case of the State of Ohio on relation of National Mutual Insurance Company against William C. Safford as superintendent of insurance of Ohio. The case involves the question whether the exercise of authority by the superintendent to inquire into the internal management of insurance companies to determine what he considers reasonable compensation of agents and officers of the companies and to revoke or refuse his license of accompany which has paid or is paying compensation which he believes excessive, is in conformity with the due process and immunity provisions of the Constitution.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC. REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912.

OF THE NATIONAL UNDERWRITER, published weekly at Chicago, Illinois, for April 1st, 1927.

State of Illinois,)
County of Cook,) ss.

Before me, a Notary Public, in and for the state and county aforesaid, personally appeared John F. Wohlgenuth, who having been duly sworn according to law, deposes and says that he is the Business Manager of The National Underwriter, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, printed on the reverse of this form, to-wit:

That the names and addresses of the publisher, editor, managing editor and business managers are:

Publisher—The National Underwriter Co., New York, Cincinnati, Chicago.

Managing Editor—C. M. Cartwright, Evanston, Ill.

Associate Editors—H. J. Burridge, F. A. Post, C. C. Nash, Jr., Chicago, Ill. Business Manager—John F. Wohlgenuth, Hinsdale, Ill.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one percent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given.)

The National Underwriter Co., New York, Cincinnati, Chicago. E. J. Wohlgenuth, Cincinnati, Ohio; C. M. Cartwright, Evanston, Ill.; H. J. Burridge, Chicago, Ill.; G. W. Wadsworth, Chicago, Ill.; John F. Wohlgenuth, Hinsdale, Ill.; H. M. Diggins, Cincinnati, Ohio; R. E. Richman, Cincinnati, Ohio.

3. That the known bondholders, mortgagees and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages or other securities are: (If there are none, so state.)

None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company, but also, in case where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

JOHN F. WOHLGENUTH,
Secretary.

Sworn to and subscribed before me this 29th day of September, 1927.

JOHN B. BERENSCHOTT,
(Seal) Notary Public.

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USE AND OCCUPANCY—RIOT AND CIVIL COMMOTION—PERSONAL EFFECTS FLOATER

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

FRIDAY, OCTOBER 14, 1927

A Message of Interest

To:
Oklahoma Agents



Located in your midst is a General Agency providing facilities for a Complete Insurance Service.

The marvelous growth of our business best evidences our ability to serve—Human Understanding and an efficient Organization plus facilities tells the story.

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FIRE AND CASUALTY INSURANCE ASSOCIATION

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IF YOU CAN Write Life Insurance

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TULSA, OKLAHOMA

211-213 Wright Bldg.

The National Underwriter

THIRTY-FIRST YEAR
NUMBER 41A

CHICAGO, CINCINNATI AND NEW YORK, FRIDAY, OCTOBER 14, 1927
Office of Publication, 175 W. Jackson Boulevard, Chicago, Illinois

OKLAHOMA AGENTS'
NUMBER

Oklahoma Agents in Annual Session

Tulsa Convention Was Full of Great Interest—
Bank Agencies Brought Out Considerable Discussion

Resolutions Discussed

Convention Headquarters
Tulsa, Okla., Oct. 12

By W. A. SCANLON

WITH the exception of a flurry which took place a short while before the close of this year's meeting over the adoption of a resolution calling upon the companies writing compensation insurance to accept business on many of the smaller risks in the state there was not much excitement at this year's meeting. The resolution proposed was not approved unanimously by the members of the resolutions committee. When it was presented to the meeting the membership voted it down on the ground that it was not within the province of the local agents to dictate to the companies what should be their underwriting policy.

Resolutions as to Banks Creates Discussion

The resolution calling upon the State Insurance Board to enforce the statutes which prohibit the licensing of corporations as insurance agents was adopted after some little discussion. In Tulsa and at other points throughout Oklahoma there are trust companies and financial institutions competing with the regular agents and the agents resent this. They are asking the State Insurance Board to make a thorough investigation and if possible to see that the laws on the books are enforced.

While the attendance at this year's meeting was not as large as at some of the previous meetings, nevertheless those present were privileged to enjoy some good speeches and some interesting discussions. The speakers in all cases gave the agents some practical information on various subjects. And this data if used intelligently by the agents of the state should prove profitable to them.

Want Automobile Drive Launched in Oklahoma

Following the address of Leo E. Thieman of the Casualty Information Clearing House of Chicago, in which he told of the successful campaign which was made in Illinois, Indiana, and Michigan during April of this year for automobile insurance, a committee was appointed to confer with Mr. Thieman and decide as to the advisability of launching a similar campaign in Oklahoma in 1928. It was the consensus of opinion that the Oklahoma agents take part in this drive.

One of the most interesting sessions during the convention was that in which there was open discussions. L. B.

NEW OFFICERS ELECTED

PRESIDENT

M. E. Williams, McAlester.

VICE-PRESIDENT

E. R. Ledbetter, Oklahoma City.

SECRETARY-TREASURER

M. B. Breeding, Oklahoma City.

EXECUTIVE COMMITTEE.

John Murray, Altus, Chairman; H. C. Ashby, Tulsa; L. B. Peters, Okmulgee; Charles Goodwin, Anadarko; H. S. Carlin, Oklahoma City; J. F. McCullough, Oklahoma City.

Peters of Okmulgee led a discussion on "Danger of a Single Track Agency." He handled this subject in a very able manner and was able to get many agents on the floor to give their views.

Joseph V. Ferrari, Ft. Smith, Ark., regional vice president of the National association brought a message from that body.

The addresses of R. L. Berry of the American Appraisal Company of Milwaukee on "Appraisals" and that of H. A. Leche, the Grinnell Company on "Financing Sprinkler Equipment" contained much of practical value to the insurance men.

M. E. Williams Chosen as New President

M. E. Williams, McAlester, was elected president of the Oklahoma Association of Insurers for the ensuing year.

It was felt by the membership that Mr. Williams is the ideal man for the position of president at this time. Mr. Williams was president during 1925-26. His administration was most successful. He has always taken a keen interest in association affairs. The association acted wisely in choosing Mr. Williams. His administration of the office will meet with the approval of all without a doubt.

E. R. Ledbetter of Oklahoma City was named vice-president. At the present time he is president of the Oklahoma City Board of Fire & Casualty Underwriters.

M. B. Breeding of Oklahoma City was reelected secretary and treasurer.

John Murray of Altus is the new chairman of the executive committee.

First Convention Day

Convention Headquarters
Tulsa, Okla., Oct. 11

THE meeting of the Oklahoma Association of Insurers got under way today with President Harry Carlin of Oklahoma City in the chair. Following the singing of "America" led by A. G. O'Neill of Tulsa, Ray Siegfried, president of the Tulsa Board, extended greetings. Among other things, he said "that while the agents may be competitors of one another they should first be friends."

John T. Owsley, Chickasha, responded to the address of welcome. President Carlin in his annual address reviewed the work of the past year and made some worth while recommendations for the good of the organization.

The report of Secretary-Treasurer M. B. Breeding of Oklahoma City showed that the finances are in good shape. In his report Mr. Breeding paid high tribute to the work of C. H. Doscher, representative of the National Association of Insurance Agents, who worked among the Oklahoma agents this year. There are at present 206 members of the Oklahoma association.

Told About the Drive for Automobile Lines

Leo E. Thieman, Casualty Information Clearing House, Chicago, pointed out the great possibilities for the writing of automobile insurance by the agents. He told of the success attained in April of this year when there was a concerted drive made for automobile business by the agents in Illinois, Indiana and Michigan. At the conclusion of Mr. Thieman's address J. Stewart Pearce of Tulsa suggested that the agents of Oklahoma arrange to participate in a similar campaign which will be put on in 1928.

A. G. O'Neill of Tulsa told how he overcomes some objections he usually encounters when soliciting automobile insurance. Mr. O'Neill brought out some good thoughts to be presented to the man who says, "I am a careful driver and don't need liability and property damage insurance"; "my car is so old it is not worth insuring against anything"; "if anybody got judgment against me it would not be worth anything."

John F. McCullough, Oklahoma City, suggested that a committee be appointed to confer with Mr. Thieman and consider the advisability of having the Oklahoma agents participate in the next drive for automobile insurance.

"Danger of a Single Track Agency" was the subject of a discussion which



M. E. WILLIAMS, McAlester
New President



HARRY CARLIN, Oklahoma City
Retiring President

was led by L. B. Peters of Okmulgee. Mr. Peters pointed out that there is much business to be had by an agent if he would study and become familiar with the various lines of insurance written. He spoke of the vast field for writing contract bonds, check forgery and accident and health business particularly. He said in writing accident and health an agent gets a fine entree for many other lines to be written for an assured. He pointed out that a good agent should be in a position to advise a man on all lines. He stated that, in his opinion, if an agent knows his business and attends to his claims properly he will get other lines. He urged the agents not to specialize too much on one line. He advised them to make an analysis of their business and see that the different lines were being apportioned properly. Several agents took part in the discussion and gave their views regarding certain lines. Harry Carlin said that when he started to build an agency he pushed particularly fire and tornado insurance but he soon found that financial institutions cut in a great deal on this business. More recently his agency has been giving a great deal of attention to the casualty lines.

Interesting Discussion in Automobile Insurance

E. H. Nickell in speaking of automobile insurance said that when he finds an automobile bought on time there is not much use of soliciting fire and theft insurance. He said there was no chance to get this insurance until the car is at least a year old, due to the fact that the finance companies handle insurance. He said that he has developed automobile insurance more than any other line. F. L. Finley of Ada said that the automobile liability insurance had proved quite profitable to him. Charles Little, Anadarko, said that automobile insurance was the largest line in his office. His agency was able to secure the business which had been going to one of the large finance institutions. He said that he had studied the General Motor's plan and secured two bankers in his town to organize a finance company. He now gets two-thirds of all the automobile business.

Stress Importance of Better Classification

A. G. O'Neill, Tulsa, stressed the importance of an agent having a private office quiet and free from interruptions. He pointed out that should an assured come to one's office the agent could do much better with his sales argument if he were entirely free from interruption.

Ray Siegfried, Tulsa, said that an analysis of his business showed an overabundance of compensation insurance and he has decided to push public liability insurance. Good results have been obtained. He said that now 65 percent of his compensation business is running concurrently with public liability. He said that the public liability business makes the compensation insurance more acceptable to the insurance companies. Mr. Siegfried also stated that much more automobile liability insurance has been written by his office recently because he has gone out after the business.

L. B. Peters, Okmulgee, said that many agents were successful in selling larger limits for automobile liability than the customary \$5,000-\$10,000.

Committee Named to Confer With Thiemann

President Carlin appointed a committee to confer with L. E. Thiemann of the Casualty Information Clearing House to consider the advisability of the Oklahoma agents entering into the forthcoming drive for automobile insurance. In all likelihood this drive will be staged in April of next year. During the past year the campaign was quite successful in the states of Illinois, Indiana and Michigan. The members of the committee are: J. Stewart Pearce, Tulsa; John Murray, Altus; Ray Siegfried, Tulsa; John F. McCullough, Oklahoma City, and L. B. Peters, Okmulgee.

RESOLUTIONS ADOPTED

The committee on resolutions submitted the following which were adopted: The sympathy of the Oklahoma Association of Insurers at convention assembled at Tulsa, Okla., is extended to the bereaved family of J. H. Mullen of Bartlesville, who at the time of his death was vice president of our association. Mr. Mullen spent a lifetime in the business of insurance. He always was found most active in the interest of furthering the American agency system, and the cause for which it stands. His presence at our convention is sadly missed and it will be a long time before he will be replaced.

In the matter of branch offices and non-policy writing agents, your committee has little of a definite nature for your consideration, but in the view of the trend of the establishment of such branch offices and non-policy writing agents and in view of the general discussion of this project, the following is a sense of this convention.

The insurance business as now conducted through the American agency system has brought about an insurance service to the public and has the admiration and the wonder of the world. Any practice which imperils that system most certainly arouses the interest of its friends and supporters and is not in the interest of public service and should be discontinued.

We desire to reaffirm our allegiance and loyalty to the National Association of Insurance Agents and all of the principles for which it stands. The work of this association during the past few years has been an inspiration to all who have followed their plans, which under the leadership of Secretary Walter H. Bennett, has been most wisely guided and fruitful results accomplished.

At the last convention a resolution was passed endorsing and approving of the action of the conference committees of the National Association of Insurance Agents and National Board in which an agreement was reached whereby agents would accept responsibility for the earning premium on "not taken" policies if not returned for cancellation within a 45-day period for and in consideration of the companies agreeing not to plan any further bank agencies.

We desire to call the attention of this convention to the fact that whereas the agents have lived up to their portion of this agreement the companies by their action in planting several bank agencies throughout the state, have openly violated this agreement. Unless this agreement on their part is lived up to, it is the sense of this convention that we assume no further liability for the earned premium on "not taken" policies if not delivered within the prescribed length of time.

We endorse most heartily the report of our president, Harry B. Carlin, and his fellow officers, who by their tireless efforts have kept the state association in a flourishing condition. And we desire to express our thanks and appreciation for their efforts in this regard.

In the matter of the Milwaukee resolution, your committee has a complete review of the facts and a discussion of the merits under consideration, recommends that the association concur in the finding of the National executive committee, that we do now charge the Firemen and the Girard Fire & Marine to be intentionally and continuously in violation of one of the principles of this association, viz., that of appointing financial institutions, their officers or employees as company representatives in competition with established agencies and the Northwestern National to be intentionally and continuously in violation of one of the principles of this association, namely agents' ownership of expirations and that each of these companies fall within the scope of the Milwaukee resolution.

There is no public demand or need for the service of producers other than recording agents or brokers. We protest company recognition of those who serve not and who are an economic waste in our business. The payment of commissions by companies to non-policy writing agents greater than affixed brokerage for a concession to branch office is a practice that is unwarranted and is unfair to legitimate producers and to those companies supporting the American agency system.

Resolved that the Oklahoma Insurance Board be urged to take immediate official cognizance of the widespread, continuous and flagrant violation by various banks, trust companies, building and loan associations, and other financial institutions in Oklahoma, of the following statutes:

"No. 6724. Corporations Cannot Act as Agents.—No corporation or stock company shall act or be licensed to act as an agent or representative of any insurance company or association in soliciting, selling, delivering, writing or in any manner placing or causing to be placed any insurance policy or contract in this state."

"No. 6758. Unfair Methods—Rebates, Etc.—No corporation, firm, association, individual or aggregation of individuals, however constituted, doing business in this state, and no agent, officer or employee thereof shall offer to pay or allow or agree to pay or allow any rebates of premium paid or payable under this policy or any rebates from amount of premium stated in this policy, or any special favor, advantage, benefit, valuable consideration or inducement whatever, not specified in this policy, provided this section shall not apply to domestic mutual fire insurance companies and reciprocal associations doing business in this state, or to mutual insurance companies and reciprocal associations, doing business in this state."—From Bunn's 1921 Compiled Statutes, Vol. Two.

Oklahoma Statute No. 6724, by the phrase "in any manner" evidently prohibits any corporation from procuring insurance licenses for any salaried employees who then turn back to the corporation all their insurance commissions or profits. The Oklahoma Insurance Board is urged to make an official investigation (particularly in Tulsa, Okla.) of such practices.

Oklahoma statute No. 6758 evidently prohibits any financial institution from offering any veiled rebate or inducement, such as the granting of a loan or reduction of customary loan commissions, in order to control the placing of insurance, or secure same to such financial institutions. Yet this is common practice in Tulsa, Oklahoma.

The flagrant and public violation of these Oklahoma insurance laws by various financial institutions in Tulsa and elsewhere in Oklahoma constitutes one of the worst evils afflicting the insurance business and local agents in Oklahoma, and the present Oklahoma Insurance Board is urged to inform itself immediately of such facts, through public hearing and personal summons to each licensed insurance agent in Tulsa, Oklahoma, and to correct and eliminate this evil by cancellation of such subterfuge individual insurance agency licenses issued to employees of such financial institutions.

Carlin's Year Was a Most Successful One

Harry S. Carlin, Oklahoma City, the retiring president of the Oklahoma Association of Insurers has had a successful administration. During the year past the Oklahoma agents have been kept on an even keel. There have not been any great disturbances to upset the membership. Mr. Carlin, the other officers and executive committee are to be congratulated for the very efficient handling of the affairs of the association during the year.

Mr. Carlin presided at all of the business sessions. He handled the meeting in good shape. He was instrumental in getting a number of the agents present to take the floor and discuss subjects of importance to them. His comment was always of an intelligent nature.

Tulsa Local Agents Were on the Job All the Time

The local committees of the Fire & Casualty Insurance Association of Tulsa received much praise for the very efficient way in which the convention details were handled. The following committees were busy ones:

Convention—J. S. Pearce, Alva Fountain, G. C. Gorsuch and J. L. Williams.

Entertainment—A. G. O'Neill, Harry Gilbert and L. C. Bronson.

Publicity—Harry Stehr, W. F. Stahl, John R. Cartmill and H. E. Bethell.

Reception—Lyle Dickey, George Harrison, John Kramer, L. N. Ewing, C. P. Yadon and J. A. Porter.

Finance—H. C. Ashby, H. C. Gibson and G. W. Nesmith.

Entertainment for Ladies—L. C. Bronson, Chairman.

Tulsa Agents Were Featured

"This Week In Tulsa," a booklet published by the Hotel Greeters of America and distributed to all the guests of the hotel, on the front cover carried a picture of Ray H. Siegfried, president of the Tulsa Insurance Board, and presented also the entire program for the meeting and articles by A. G. O'Neill, W. F. Stahl, Harry C. Stehr and Mr. Siegfried on insurance affairs.

Convention Notes

M. E. Williams, McAlester, the new elected President of the Association, was unable to be present at the meeting. He was slated for a talk on the "Value of a State Organization." Mr. Williams sent his paper to the convention. It was read by Secretary, M. B. Breeding.

Secretary Breeding in his report emphasized the value of organizing more local boards in the state. He said that such an association is a distinct benefit to the community.

Secretary Breeding urged the members to display the emblem of the National Association of Insurance Agents. Where this is universally observed the public will gain confidence and will be more favorably impressed with the agent who belongs to his organization.

Secretary Breeding urged the agents to become greater factors in securing new members. He said that there should be from five to a dozen or more agents in every community of any size who are members of the state association.

At the conclusion of the Tuesday afternoon session a picture was taken of the agents in attendance. This picture was published in a local paper.

At this year meeting it was quite noticeable that the state and special agents of the companies were not nearly so well represented as in years past.

Value of Proper Appraisals Is Shown

BY R. L. BERRY

Kansas City Office, American Appraisal Co.

MY work brings me into contact with many insurance men, and I am impressed with the fact that to become a good insurance man, one has a great deal to learn. There are so many different kinds of insurance designed to protect the individual or property owner against the various liabilities of loss to person or property that it has become indeed a complicated profession and one which calls for the best in thought and in courage.

Big business and little business needs sound insurance counsel. The wise executive is he who seeks out competent insurance counsel and listens and heeds. Many large firms retain on their staffs insurance experts whose responsibility it is to decide their insurance problems. Perhaps after all the suspicion with which the business man too often receives suggestions from his insurance agent is due to incompetent advice he may have received from others less wor-

be biased. It is a well known fact that the average property owner considers his property worth very little when talking with the tax assessor and an extremely great amount when talking to his banker or to a possible purchaser. It is truly marvelous how property values may increase over night in the owner's mind.

Appreciation and depreciation of clients' costs. Some of you may place faith in the owner's record of cost. Perhaps you have a pet formula of your own whereby you take the cost price as shown by the record and add a percentage of appreciation based on the best available chart and make allowance for depreciation at a fixed rate per year.

Illustration Is Used To Prove the Point

To illustrate, assume that a property was constructed in 1916 at a cost of \$100,000. Based on your chart which after all probably reflects average conditions throughout the whole country, you add 80% to arrive at a present replacement cost of \$180,000. You then apply an average rate of depreciation over the eleven year period at, let us say, 3% per year and arrive at a sound value of \$120,000. Perhaps you carry your computations a step further and deduct 10% for the uninsurable portion of the property, leaving as the insurable portion \$108,000. Then if a 90% coinsurance clause applies, you write your client for \$97,000 of insurance. This method may sound plausible at first thought, but it is open to a hundred possibilities of error, or I might say probabilities of error, and of serious error which may be as great as 25% or 30%.

System of Original Costs Is Regarded as Uncertain

In the first place only one who has analyzed some of these so-called "original costs" can appreciate how uncertain they are. Conditions under which the property was erected may have resulted in the actual cost being abnormally high or abnormally low.

Accounting practices may have resulted in charging into plant account or against building values, more or less than actual cost.

Your appreciation chart is almost certain to be general in character and will not apply specifically to your locality or to the particular building or plant under consideration.

Flat Depreciation Rates Are Seldom Accurate

Flat rates of depreciation are almost never accurate. Here again you are attempting to apply broad averages to a specific property with great possibilities for error.

The segregation of insurable and uninsurable values from the book records is usually impossible. And yet, the uninsurable values may represent an important part of the cost, as the policy often excludes foundation walls, footings, excavation, basement floors, etc. Your estimate on these items is extremely doubtful.

The whole process is a series of rough approximations which may delude because of its plausibility and the facility with which we have juggled the figures.

Coinsurance Clause Brings Out Values

In applying the coinsurance clause, the insurance companies are searching for value, and they frequently find it. This very graphic case was clipped from an insurance magazine two or three years ago. It is a true incident and after

mentioning the name and location of the plant which was partially destroyed, it continues: "It was protected under blanket coverage with 90 percent coinsurance. The value of the property at the time of the fire was \$841,200. Loss amounted to \$418,427. Under the coinsurance clause insurance required was \$757,080, with actual insurance in force of only \$400,000. The assured was the co-insurer to the extent of \$357,080, and contributed \$197,353 to the loss. It is understood that the failure to carry an adequate amount of insurance was due to the fact that reliance was placed on an appraisal made in 1911. The loss was handled by independent adjusters. Obviously such a method is too dangerous to gamble with.

Independent or Short Cut Method of Appraisals

The third method to which I have referred is the use of independent but short cut appraisals. Among the soporifics indulged in by many modern assureds and often auctioned by the agent are the condensed appraisals made by a more or less disinterested party based upon square foot of floor area, cubic feet of building content, plant capacity, as of flour mills, cement plants, etc., or horsepower capacity as applied to power plants. These are makeshifts and may lead to inaccuracies as great or greater than the method I have just treated. In fact, if forced to choose between the two, I think I would select the former.

The fallacy in the attempt to develop and use a square foot or cubic foot unit or value or any similar unit of value, lies in the fact that it is an attempt to apply a general average of a large number of variables to a specific member of the group. I do not hesitate to say that there are almost never two properties which are exactly comparable as to cost per cubic foot or per square foot.

Wide Variation in Cost of Certain Buildings

There is a wide variation in cost of a square building, a rectangular building, an ell-shaped building and a building with a court, even though they may be constructed of the same materials and under similar conditions and contain the same number of cubic feet within the walls. I am speaking now but of variations in shape. Consider the thousands of other variations in qualities of materials used, in height of floors, in numbers of doors and windows, in ornamental fronts, in interior finish, in labor conditions, in different localities, and you can readily realize the futility of attempting to apply a standard unit of value to apartment buildings, or brick mill factory buildings, or reinforced concrete buildings, or any other general classification. Averages are always dangerous things. Sometimes they are enlightening for purposes of comparison.

No dry goods merchant, to my knowledge, has ever attempted to devise a system for taking stock inventory by building up an average value of stock on the shelves from several hundred inventories in similar stores and reducing this to a unit value per square foot or per cubic foot of shelf space.

Proper Plan for Use of Appraising Values

Let us now consider the fourth method. The preparation of a scientific, detailed, provable appraisal is in its essentials much the same as the taking of an inventory. It is an inventory of fixed assets listing in detail all the items which comprise the plant—an inventory priced on today's market, and depreciated in accordance with physical con-

dition. It is disinterested, unbiased, authoritative and probably right. It eliminates guess work, personal opinion and estimates, and substitutes in their place cold facts—all the facts about the property which affect its value. It is the only basis for intelligent placement of insurance, the only satisfactory proof of loss in case of fire. It furnishes the common ground upon which the adjuster and assured can meet and agree with any measure of certainty on either side.

Scene When There Has Been a Heavy Loss

A manufacturing plant is destroyed. Over its cold ashes a group of men meet and confer. The assured is represented in the group, and also the insurance companies. They are trying to resurrect from the ashes this thing that is gone in order to appraise it. For the first time in his life the assured is im-



M. B. BREEDING, Oklahoma City Secretary-Treasurer

thy of his confidence. It is your task to regain his confidence.

Kinds of Insurance Requiring Appraisals

There are at least five classes of insurance which require appraisals. There may be more. These are:

1. Fire.
2. Tornado, windstorm, and cyclone.
3. Riot, civil commotion, and explosion.
4. Sprinkler leakage.
5. Earthquake.

Insurance protects the property owner against loss of value. It does not and cannot protect him against loss of property. Sprinkler systems, fire extinguishers and fire walls may protect property, but you are not selling these. You are selling protection of property values, and the intelligent placement of insurance and proof of loss in case of fire or windstorm requires the measurement of property values in terms of dollars. Values are expressed in monetary units.

Methods of Measuring Value of Property

Who then is to measure these values? And how shall the yardstick be applied? There are many methods actually being used in writing insurance and these may be grouped under four main headings. They are (1) Clients' opinion. (2) Appreciation and depreciation of clients' costs. (3) Independent but short cut appraisals. (4) The scientific or detailed appraisal.

First: Clients' opinion. Little need be said about the owner's opinion of his property. It is sure to



J. F. McCULLOUGH, Oklahoma City

pressed with the tremendous value of this thing he has lost. The adjuster, less sentimental, listens with patient sympathy. He stands ready to offer his condolences in a very materialistic manner, but he craves facts. What does he get? Opinion, and plenty of it, biased and unbiased. He has the book records, perhaps! These too may be a part of the ashes. But if he has them they inform him that certain amounts of money have been spent over a period of twenty years or so, which presumably represent original cost. The assured hastens to explain that this by no means represents all the cost, due to his conservative accounting practices. Appreciation is to be reckoned with, and depreciation. Again nothing but generalities. Resort to estimates and opinions. At length something that resembles a proof of loss takes form. A tired and worn adjuster concedes a point. Your bitterly protesting client concedes a point, and the newspaper reports the "loss fully covered and the adjustment satisfactory." And this was your client who always believed in insurance and carried insurance "up to the hilt."

Value of Adequate Kind of Appraisal Service

How different the picture would have been had the client maintained adequate appraisal service. The appraisal would have been produced and submitted as evidence. The adjuster, if he were conscientious, would have reviewed it carefully to assure himself that it was correct and prepared by a properly qualified organization. Some questions might have been raised. It is the adjuster's privilege. A properly prepared appraisal

(CONTINUED ON PAGE 9)

Why the National Agents Association?

By JOSEPH V. FERRARI

Fort Smith, Ark.

Regional Vice-President, National Association

WE of Oklahoma and Arkansas may not yet be concerned with the branch office problem, but we can never tell how soon it will make its appearance in our midst. The Travelers situation is the first which naturally comes to mind. It, of course, may be influenced by the conference to which the National association executives have been invited by Vice-President Robert H. Williams of that company. As I understand it, particularly in the east, the Travelers is not the only offender.

The Eastern Underwriters Association was organized in eastern territory to remedy some serious evils which existed in that section of the country. Agents participated in a discussion of the commissions to be paid in the territory, in the course of which they were told that their cooperation was indispensable to the success of the plan.

Basis of Commissions Was Decided On

A scale of brokerage commissions was set up, from which agents were told there was to be no deviation. After the E. U. A. was in operation for some little time, it appeared that special concessions had been granted to the Travelers Fire. The result is that this company is, in effect, permitted by the Eastern Underwriters Association to have as many non-policy-writing agents as it desires in the territory so long as they are connected with a Travelers branch office. The companies have represented at agency conventions, from time to time, that the granting of this special arrangement was made the Travelers Fire for the sake of harmony in order to get it into the new organization. Of course the logic of the situation is not quite clear to us.

Demoralized Conditions May Later Follow

A company organization that is formed to cure a number of serious evils and which in its very infancy permits a special arrangement, which it refuses to admit is a concession, is bound in time to bring about a demoralizing situation. The responsibility for it has been placed where it belongs—with the executive committee of the E. U. A., which the agents insist is the only body that can right this wrong condition which it itself has brought about.

Then, as we think about this branch office situation, we consider the recent arrangements between the Fidelity & Casualty and the America "Fore" group and between the Home of New York and the Maryland Casualty. None can deny the great advantage which comes to an agent when a company furnishes him with complete automobile cover in

one policy. However, we cannot but be fearful that this may ultimately lead to branch offices in the fire insurance business.

Various casualty companies with fire running mates, or alliances, no doubt, now maintain branch offices in some of your Oklahoma cities. If you will but give this question a moment's reflection you will then realize that you are not, after all, so far removed from the branch office menace.

What Has Been Done Along Automobile Lines?

You are all now familiar with the successful fight the National association waged on the Chrysler-Palmetto deal. Do you fully realize what would have happened had we not been victorious? Well, we would have been entirely robbed of our automobile fire business and then it would have been only a step to also take our automobile liability premiums.

I wonder how many of you have seen and read National Secretary Bennett's brief on the Chrysler-Palmetto case? It is certainly worthy of the time necessary to read it carefully and is, in my opinion, a masterpiece. It will give you a better appreciation of the calibre of our National secretary.

Here's another bit of National association service: When the Massachusetts compulsory automobile insurance law became effective, our headquarters got wind of the drastic reduction in agents' commissions the companies proposed putting into effect at once. That was on Saturday. The Massachusetts state association was immediately advised and on Monday morning a meeting was held in New York City that resulted in a saving in commissions to the local agents of Massachusetts, I am told, of over \$100,000.

Automobile Creates Some Interesting Problems

The automobile brings the branch office menace to the American agency system because of the division of writing between fire and casualty companies. But the automobile has also been a vehicle of other difficulties for the local agent. For some years now a few automobile clubs have been tied up with assessment forms of insurance. Notable cases are the automobile clubs of Southern California, Chicago, Detroit and Missouri. Even in our own town this feature presented itself, but the insur-

ance membership in the automobile club defeated it. As agents, we know that insurance is not a legitimate activity of the automobile clubs. We insist that these organizations restrict themselves to their proper functions, which are well defined.

We are more interested in preventing injuries and death from avoidable automobile accidents than we are in attempting to compensate for such casualties after they have happened. We maintain that there can be no such compensation, and that compulsory automobile insurance is not even a half remedy for the real evil involved in the matter. Fortunately, and due largely to the activities of organized agents, it was possible during the present year to convince the state legislatures that our position is correct. But we cannot relax our vigilance.

Appeal Is Made to the Public at Large

Our appeal with respect to these automobile problems is to the public, and here we must think of that important question which is being considered by men engaged in all industries at the present time. Company organizations are also interested in the matter of public relations, but the agents have stolen a march on all those connected with insurance. It was to be expected that they would because of their close contact with the public and their unselfish interest in those things which concerned its welfare. For some years now our fire prevention and conservation committee has been cooperating with chambers of commerce throughout the country, in an effort, first, to reduce the tremendous annual fire waste of this country, thus gaining the confidence of the members of the chamber and the general public, and enlisting public support on the basis of that confidence, in opposition to wrong insurance legislation and in favor of proper laws, and to educate the public on what insurance is and does for it.

Public Relations Work Is Being Advanced

Hand in hand with this work goes that of a committee which has taken over the definite duty of educating the public on insurance and enlisting its help with respect to legislation. It is known as the committee on public relations and education. It is now appointing key men all over the country, who will be selected for their knowledge of

insurance and charged with the duty of interpreting it whenever necessary, particularly when rates are made or changed, so that the public and the newspapers will not be able to misrepresent our great business in the future, as it has in the past, to our great detriment.

Our better business methods committee is designed to improve the efficiency of management in a local agency and enable it thereby to tone up its service to the public.

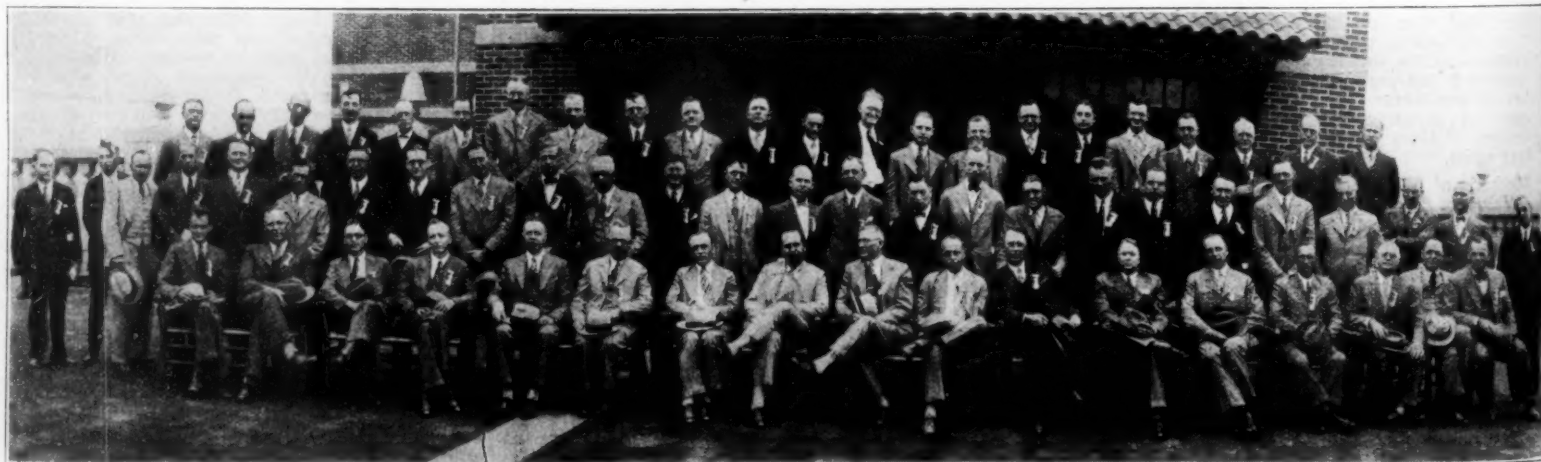
Agents Must Keep Abreast With Modern Methods

Immediately the thought comes to mind that the efficient service-giving local agent is ready to provide all the lines which his client may need and to advise him on those covers which he should carry. If this obligation entails anything, then it means that the local agent must keep abreast of insurance times, learn the new forms of cover that are available and prepare to offer them to his clients. Some of the casualty and surety companies have been developing specialty departments because the local agent has been unable or unwilling to take on newly developed lines and push them properly. The companies are willing to help the local agent develop these new lines because it is more economical to write them through the American agency system than through specialty departments. But, what can we expect when the local agent refuses to develop new possibilities? If a local agent is expected to conduct his agency efficiently in order to widen his service to the public, then it is but natural that he should make a public appeal for business. To make such an appeal effective, the local agent is going to take advantage of the fact that the public regards highly the business or professional man who is affiliated with the association in his field of activity that is devoted to the uplift and improvement of the service of the business or profession.

Now, in order that a local agent may offer the type of service of which we have been speaking, he must be qualified. In other words, he must be a man of good character. He must have a knowledge of the insurance laws of his state and of the contracts or policies which he is soliciting or negotiating for his companies. It is but just, that this requirement be met, because insurance is the foundation of our entire business, industrial and civic life. It may be as serious an error for a local agent to give poor advice and service as for a lawyer or a physician to do likewise. The qualification idea, as it has been sponsored by the National association, has been gaining in force throughout

(CONTINUED ON PAGE 9)

OKLAHOMA AGENTS IN ANNUAL CONVENTION AT TULSA





J. S. PEARCE



J. A. PORTER



H. L. MARTIN

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Call on us to help you. Trained
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H. FARISH
 Special Agent of Our
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IF IT'S A BOND—WE CAN WRITE IT

PEARCE, PORTER & MARTIN
 TULSA, OKLAHOMA

BATES ADJUSTMENT COMPANY

again extends greetings to the local agents of Oklahoma and the companies represented by them with the renewed conviction that this convention just held has been of mutual benefit.

Sincerely,

NORMAN NELSON,
General Manager

OKLAHOMA CITY and TULSA

Interesting Discussion Engaged in by Agents

At the opening of the Wednesday morning session, President Carlin of the Oklahoma Insurers Association announced that the meeting was open for discussion of any subject the agents might care to discuss. The question of whether it is ethical for an agent, member of the state and national association to represent a cut rate casualty company was raised. Among those who took part in this discussion were W. F. Stahl, Tulsa; E. R. Ledbetter, Oklahoma City; W. Lyle Dickey, Tulsa, and L. N. Ewing of Tulsa. Mr. Ledbetter said that he believed a cut rate casualty company had no more right in an agent's office than a mutual or reciprocal. He thinks it should be classed as a man who represents a mutual or reciprocal. W. F. Stahl of Tulsa said he believed that this sort of thing should be discouraged. He does not see how a man can conscientiously sell a policy in a cut rate company. W. Lyle Dickey stated that in his opinion there is no reason why one should consider such an agent an outlaw, particularly so if the company is a responsible one. Mr. Ewing asked the question "what is a cut rate company?" He said that his observation has been that pretty near all of the companies would cut a rate on occasion. He believes that the representing of a cut rate company does not seriously affect the ethics of the business.

Deposit by Members of a Local Board

The question of a deposit by members of a local board was discussed briefly. W. Lyle Dickey said that he felt that by having each agent, member of the local board put up a deposit had a tendency to keep the men from violating the rules.

The only prepared address on Wednesday was given by H. A. Leche, representative of the Grinnell Company. He spoke on the merits of the savings premium plan for the installation of automatic sprinklers.

The question of whether insurance companies were liable for losses on radio equipment due to lightning was raised. Among those who took part in this discussion were W. Lyle Dickey, Tulsa and Norman Nelson of the Bates Adjustment Company, Oklahoma City. It was the consensus of opinion that a radio is considered electrical equipment and if the policy contained an electrical exclusion clause the companies are not liable.

Just before adjournment Ray H. Siegfried, president of the Tulsa Insurance Board, who acted as chairman of the resolutions committee, presented the resolutions which were adopted.

A. L. Roarke, secretary of the State Insurance Board, attended the meeting. He spoke briefly Wednesday morning.

Discussing the matter of fire prevention he said that a great obligation rests on each local agent in that he should be a great factor in the control of moral hazard. He also stated that over-insurance at least encourages carelessness on the part of property owners which very often causes fire. He said that an agent can often render good service to the policyholder by pointing out physical hazards in a risk. In his opinion it is through giving service of this kind that an agent builds his business properly.

The time and place of the next meeting will be decided by the Executive Committee. There is quite a little sentiment in favor of holding the meeting at Oklahoma City. There is always a much larger attendance at the Oklahoma City meetings.

Entertainment Given at the Dinner Dance

At the dinner dance given Tuesday evening excellent entertainment was furnished. Ray H. Siegfried, Tulsa, was master of ceremonies. There was some fine talent. The following program was presented: Homer Gothard, Jr., dancer; Ira Hayward Ingram, tenor solo; Helene Millard, Spanish dance, and Clarice Stewart, personality songs. In addition Leo E. Thieman of the Casualty Information Clearing House, Chicago, told a few stories. At this dinner the following were called upon and introduced:

Harry S. Carlin, M. B. Breeding, E. R. Ledbetter, J. F. McCullough, C. T. Ingalls and W. B. Clinite of Oklahoma City and A. T. Fountain of Tulsa. After the dinner and entertainment there was dancing.

The National Underwriter-Rough Notes Company had a display of insurance supplies at the convention. R. C. Wubbolding was in charge of this display.



J. STEWART PEARCE, Tulsa

There's MANY a slip twixt cup and lip—

CHICAGO, ILL. But the CASUALTY INSUROR will eliminate many of them in your solicitations for CASUALTY BUSINESS

\$2.00 a Year

But the CASUALTY INSUROR will eliminate many of them in your solicitations for CASUALTY BUSINESS

Unusually Profitable Opportunities are offered to men and agencies in
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KANSAS UNDERWRITERS

GENERAL AGENTS

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Practically all Casualty lines written in none but Stock Companies

OUR SERVICE MEANS DOLLARS TO THE LOCAL AGENT

Address of the President

BY HARRY S. CARLIN
Oklahoma City

NEVER since I have been a member of this association have there been as few complaints and as little trouble. This fact may be something to boast of as it certainly shows that agents and companies are year by year becoming more able to settle most of their differences without resorting to the association for help. However, it seems to be a trait among us that unless something militant or spectacular is being undertaken, nothing is being accomplished. This of course is not true as the greatest victories in our business and all other lines have been won in times of peace. Our association has this year, as well as in years previous, been well organized to immediately take up any complaint that might arise.

Complaints Center Around the Bank Agencies

The few complaints we have had during the past year seemed to center around bank agencies. In some cases the association was successful in correcting the condition and in a few cases failed utterly. This failure was not due to the lack of effort on the part of the administration, but due to the fact that certain companies after repeated conferences and correspondence still held to the opinion that they were of the chosen few and should have the right to plant wherever they saw fit, regardless of the views of the association. There are of course always two sides to a question. One of the functions of our organization is to sift the evidence and decide where we should rightfully stand.

In the case of some companies planting in bank agencies we have sifted the evidence and are firmly convinced that

they are in violation of the principles of this association, even though they claim to have had their respective plants established before the signing of the agreement between the National association and the National Board. If they are legally within their rights they are certainly not morally. The same companies which contend that they are not in violation in bank agencies, hold fast to the remainder of the agreement such as paying of balances and cancellations.

Last year at our convention a resolution was passed, as follows: "We deplore the action of a few companies who are apparently disregarding these wise and wholesome principles and are yet extending their agency plants into financial institutions of this state." This seems to me to be one of the most important resolutions ever passed by a state convention. I now think it is time for all good and true agents to comply with the resolution, by favoring the companies which subscribe to our principles and to give little, if any, consideration to those companies which deem themselves endowed with special privileges.

Points Out Value of the Regional Meetings

A great mistake was made during the past year, and I take the entire blame, for not holding regional meetings in different parts of the state. The meetings held in the past were more than successful. I am now firmly of the opinion that this is one of the best ways

of creating interest and increasing membership. It is to be hoped that the next administration will take notice of this error and reestablish the practice of holding these meetings.

Our membership this year is within six of the highest mark ever reached, many of this number being new members this year. The building up of the membership is the most difficult problem the administration has had. This condition will continue as long as present methods are applied. The only way our membership can be brought up to where it rightfully belongs is through a paid secretary. I trust the time is not far distant when the Oklahoma association will institute and maintain a plan of this kind. It would be a great help if, providing we are not able to pay a full time secretary, we would devise a percentage system whereby the secretary would receive a certain percent of the dues collected. This would at least partially compensate him for the time spent in this direction.

Some Agents Always Look for Free Transportation

There are always a certain number of agents who want to "ride free" and reap the benefits paid and worked for by their fellow agents. The past year having been no exception. It is noticeable, however, agents of this class are always the first to complain of the slightest deviation of a principle. They are also aware that as long as there is an association they cannot help but be benefited. The benefits received by

non-members is a problem that the National association is now facing and during the past year has paid considerable attention toward eliminating this evil. In fact the companies are more and more recognizing association members and giving them preference in case of dispute.

What the Association Did in Chrysler Fight

One agent when he paid his dues made the statement that he had thrown \$10 away. We immediately asked him if he had the insurance on any Chrysler cars to which he replied that he did. We then called his attention to the fact that had it not been for other agents paying \$10 or more he would not have a Chrysler car or possibly by this time any other kind insured.

Considerable effort was made during the past year to encourage the organization of local boards. We were successful in encouraging some eight different new or reorganized boards and at the same time secured new members for the state association. It has often been said that if you are the only agent in town organize yourself into a local board. This is quite true as many problems confronting our business are purely local and can best be handled through a local board. Some very difficult problems have been handled by certain local boards in our state without the assistance of either the National or State Association. The value of local boards will be more fully discussed at this meeting.

The association is now incorporated under the name of Oklahoma Association of Insurers, this recommendation was made by a previous administration.

The Tebco Messenger

OKLAHOMA CITY, OKLA.
OCTOBER 14, 1927



Gentlemen of the Field Force :

The Little Lad up in the right hand corner of this ad never got anywhere in a beauty contest, but he has beautiful facilities. He represents the best companies and is very human in his relation to agents. You'll like his family and they'll like you.

He likes agents with "runners" in their socks.

Sincerely

Insurance Specialists
Oklahoma City

THE T. E. BRANIFF CO.

Value of Agents Getting More People Adequately Insured

BY LEO E. THIEMAN
Casualty Information Clearing House, Chicago

IN the October issue of the "Casualty Insurer," there is an editorial entitled "Sales Made by Main Strength." In this editorial there appears the following: "Charles M. Schwab has been called the greatest salesman ever known, but it was not on account of the size of his individual orders. He sold steel where steel had never been used before."

If there is any branch of underwriting to which this very obvious lesson is applicable it is the field of automobile liability insurance.

Can Take Good Lesson from Motor Industry

The casualty insurance business can well take a cue from the great American motor industry which, speeding along at a terrific rate, is producing vastly more rapidly than companies and their agents are insuring.

Affording an example practically without parallel, the motor industry is set-

ting a pace for intensive cultivation that the casualty business would do well to emulate. Somebody said recently that there were more automobiles in this country than telephones. The author of this statement was an insurance company which accompanied it with an exhortation to its agents to develop the automobile lines. And well might it do so, for there is hardly anywhere in our industrial history any progress more gripping than that made by the motor manufacturers, or any branch of business that has developed sales contact to the point reached by the automobile business.

Should Keep Abreast With Car Production

At the risk of being called visionary, I can see the time when the companies and the agents by a union of intensified effort, publicity and advertising will no longer follow far in the wake of motor

car production but will keep well abreast of it—insuring as fast as the brother industry is producing.

The "Insure in April" drive held this year was but a straw in the wind. It was but a harbinger of a new era. Its duplication on a larger scale from year to year will be the stepping stone to the height where the casualty business will no longer be behind but ahead of the schedule, actually anticipating the insurance needs of the great motoring public.

What need is there to make the "wolf, wolf" cry of competition from cooperatives when we are not on the job first? Don't worry so much about selling out a mutual or reciprocal automobile insurance policy. Be there first. What is needed is a more intensive cultivation. People will not voluntarily come in and ask for an automobile insurance policy. If that method is followed the business will assuredly expire of dry rot. The motor manufacturers don't wait. They go out.

Large Number of People Have No Insurance

Very obviously the great preponderance of persons who should be so insured are not. We all hate the outgrowth of lack of insurance protection. We dislike to see somebody burdened by a heavy judgment as an outcome of an automobile mishap. We don't want the

blameless injured person, perhaps a little child maimed for life, uncompensated. We realize that against these contingencies insurance in sound stock companies is absolute safeguard. Perhaps with full cognizance that some day the ill effects of the uninsured automobile owners would become aggravated to the point existent today—to the point wherein the state government enters and forces persons to buy such protection—we have sat back in ease, content with picking up an automobile risk occasionally and have not cultivated commensurately a vastly profitable field. In some sections we have allowed cooperative competitors to steal our potential thunder with something not so good and by intense activity reap the harvest.

Should Use Means to Keep Off State Insurance

Where is there in this country an agent of real American blood who is willing to remain idle while the state superimposes itself as an acquisition body in his business? Who is there among the agency force so supine as to believe that inherently private business can survive by receiving an injection of sales stimulus from the state?

What agent can claim an exclusive franchise to the underwriting of automobile insurance in his particular territory; what agent can enter protest against the encroachment of the state; what agent can raise objection to wholesale schemes of various sorts, unless he, himself, has exhausted the possibilities of his particular field?

A speeding up of activity in covering the enormous undeveloped automobile business is a vital necessity. The American motor industry goes along at a terrific new rate each year. Why cannot the insurance agent and the insurance business at least follow in its wake?

Nothing under the sun can supplant the thorough sales and service contact of the local agent in the sale of automobile insurance unless he, himself, is willing to be supplanted.

Murray a Chronic Attendant

John Murray of Altus, the new chairman of the executive committee, has been a regular attendant at the meetings for the past several years. He is interested in the association and is a hard worker. It makes no difference where the convention is held Mr. Murray is on the job. Altus is some 300 miles distant from Tulsa but this was no barrier for Mr. Murray. He is not only interested in state affairs but he has attended several of the national meetings. This year he will be in attendance at the New Orleans meeting.

The printed program at this year's meeting was presented to the association by the Fuller Adjustment Company of Tulsa and Oklahoma City. The Fuller Adjustment Company has been furnishing the program for several years.

THE FULLER ADJUSTMENT COMPANY



PROMPT ADJUSTMENT SERVICE PROVIDED IN OKLAHOMA

Through Offices at

OKLAHOMA CITY
215 Merc. Bldg.

GUY H. FULLER, Mgr.

PHONES:
Local W. 6890 and W. 6891
L. D. 205

TULSA, OKLAHOMA
213 Atco Bldg.

L. M. HALLOCK, Mgr.

PHONES:
Local 3-2065
L. D. 123



LEO E. THIEMMAN, Chicago
Casualty Information Clearing House

Value of State Association Is Shown the Members

M. E. Williams of McAlester spoke on the "Value of a State Organization." He said in part:

The state association is the protector of the expirations. It endeavors to foster legislation that will protect the public from unlicensed and illegitimate companies and enact laws that will prevent incompetent agents from doing business. We stand for education of the insuring public in fire and accident prevention in every community where we have members and local boards.

Cooperate With Local Chambers of Commerce

Our local boards cooperate with the chamber of commerce bodies in the national fire waste contests. We promote regional or educational meetings in various parts from time to time each year, for the purpose of meeting the Oklahoma state insurance officials and the managers of the insurance bureaus and fire prevention associations. We want the members attending the meetings to become better acquainted with the rules, rates, forms and regulations concerning fire, casualty and surety business, enabling the agents to furnish to the insurance patrons policies that are best suited to the needs of his customer. This means more competency and establishes confidence of the insuring public in the agent.

Should Read the Trade Journals

We believe that the members of trade journals should subscribe to trade journals and company magazines relating to insurance in order that they may ascertain what the insurance world is doing, which may benefit them. We also have made requests that the employees should read these trade journals so that they may familiarize themselves with the contents and become better fitted for promotion and higher service.

We have endeavored to have the universities include the insurance business as a part of their curriculum so that students can immediately upon graduation have a knowledge of the insurance business to some extent, instead of going into an office or agency blindly.

Mediator Between the Companies and Agents

The state body is the means of agreement between the companies and agents through the national conference by which we exert an influence to guard against the appointment of financial institutions and non-producers in the insurance business. It has assisted materially in reducing the number of such appointments.

Our state association inspires better

relations with the public, fairness with competitors, greater knowledge of the insurance business and loyalty to the companies.

VALUE OF PROPER APPRAISALS (CONTINUED FROM PAGE 3)

does not shrink from close scrutiny. The questions would have been met squarely and answered convincingly. The loss would have been adjusted speedily and satisfactorily both to the client and to the insurance companies.

If you are to build your business to the proportions which you desire, you must serve as you sell, and by so doing you will build up that intangible value which we refer to as "good will."

Agents Need to Cultivate Good Will of Clients

Your client carries insurance to protect himself against loss in case of a disaster. If the thing which you are selling fails in any single instance when

the test comes, much of your good will is speedily dissipated. If you are representing reputable companies, there is slight danger that they will fail to live up to the terms of the contract as you have written it, but if you have given poor advice or withheld advice when advice was needed, insurance may fail largely to accomplish the thing for which the assured has been spending his money all these years. Deficiencies in the policy cannot be corrected after the loss. Nor can proper appraisals be made from ashes.

I think you might all profitably acquaint yourselves with appraisal methods and appraisal organizations.

WHY THE NATIONAL ASSOCIATION? (CONTINUED FROM PAGE 4)

the country. The important thing about a qualification law, as with almost every other activity in life, is a proper follow-up. It is the advertising men or salesmen who have given us this eloquent expression "follow-up." It is not enough merely to place a law on the statute books of the state. It must be enforced by the state commissioner, with the assistance of the local agents organized in their state association.

In discussing qualification, I have not

forgotten that the question of multiple agencies is still a troublesome one for us, but I submit that when we make so much progress as we have made in three such important states as Alabama, Massachusetts and Pennsylvania, that we may be well on the way to the final cure of this malignant sore.

I have been in the business for many years and have had more or less of a tempestuous career. When the legislature was not attempting to put us out of business, we usually found something to fight about ourselves.

W. E. Hitchcock Present

W. E. Hitchcock, secretary and manager of the Retailers Fire, with home office at Oklahoma City was on hand for the meeting and attended all of the sessions. There were several of the Retailers' agents present and Mr. Hitchcock took advantage of the opportunity to visit with these men.

Before entering into his prepared address Joseph V. Ferrari, Fort Smith, Ark., said that he has been in the insurance business for 30 years and he has learned through dire necessity the value of the National Association of Insurance Agents.



GREETINGS: OKLAHOMA AGENTS

We are for you —100%. Since we began business over seventeen years ago we have branched out into other states—15 of them—but Oklahoma is still our stamping ground.

Naturally, we want agents and business in our Home State. If you are not now representing the Retailers why not get in touch with us? Address P. J. Slater, Assistant Manager.

INCORPORATED 1910

RETAILERS FIRE



INSURANCE COMPANY

OF OKLAHOMA CITY, U.S.A.





G. LYLE DICKEY, Tulsa

Good Plan for Installing Sprinklers

H. A. LECHE of the Grinnell Co., spoke before the Oklahoma local agents and presented the merits of its insurance savings premium plan for the installation of automatic sprinkler protection.

Why has it not been advanced as vigorously as deserved? I have been able to locate but one outstanding reason, viz.,—the reluctance of men selling a big bona fide proposition involving the outlay of large sums of money to approach a prospective buyer on a basis of what is usually called "buying on time" on the theory that the failure of going concerns to buy for cash implies impairment of credit. This has deterred the salesman from making his approach on a deferred payment basis.

Idea Must be Sold First to the Salesman

In other words, it became necessary to first sell the idea to the salesman. That has been more difficult than selling it to the merchant or manufacturer who, being a better business man than the average salesman, has been quicker to see the advantages of a sound, practical basis for transferring an inescapable annual expense from intangible purchases of insurance to the purchase of a tangible, physical and permanent improvement to his realty.

Plan Patterned on Methods Often Used

There is nothing essentially new in the matter of acquiring sprinkler equipment by the method of financing it over a period of years for it is patterned largely on the methods long in use by large manufacturers of electrical apparatus for hydraulic and steam power developments and then down the line

to the less important and smaller investments in autos, radios, and back again to the big necessity of furniture.

Why Should an Agency Recommend Sprinklers?

Let us ask ourselves the question "Why should an insurance agency recommend sprinklers and thereby reduce its own and necessary income?" Our answer is that the experience of our insurance friends has been an increase in their business and in their total premiums; an increase in the number of their customers; an increase, very appreciable, of the customers who remain on their books year in and year out; and an increase in the number of concerns who give them their full coverage, and not alone of fire insurance but U. & O.—sprinkler leakage—compensation—automobile insurance, etc. This, because the agency has actually rendered that greatly abused thing called "service." The rendering of this actual "service" causes your customer to talk of you to his friends, his associates, and to generally refer to you as one who is "on his toes all the time." Bear in mind you may render this service without cost to your customer or to yourselves.

Basis of Approach to Agent's Customer

You approach the man on your books of whose insurance you carry a part only and explain your desire to reduce his insurance cost. Say to him that you will have a sprinkler engineer go over his place and estimate the cost of an equipment over a period of four, five, or six years. This cost will be approximately equal to the saving he will effect in insurance. Tell your customer you will ascertain these facts without either obligation or expense on his

part—then call on us to do this work and we, in turn, will do it for you without either obligation or cost to you.

Tells About Insurance Savings Method

Without sprinklers, your customers pay an annual sum of money for fire insurance premiums. Sprinklered, they pay the same amount for fire protection premium, incidentally securing the same amount of insurance coverage. By purchasing on the I. S. P. plan, your client is investing his money in what ultimately becomes a valuable piece of plant equipment. Buying under this plan, the insured pays this fire protection premium for only a definite and limited number of years and not forever as he does when he merely buys insurance. Remember—to the insured, fire insurance premiums are an inescapable annual expense. Show him how to convert this expense to a constant and unending investment that will yield from 15 to 25% every year he remains in business.

Purchase of Sprinklers Does Not Demand Capital

Remind the insured that fire loss means the destruction of just so much wealth for, though you reimburse him, no one reimburses you. Impress him with the thought that fire insurance does not insure the continuity of his business and his profits, and then hear him say that the first cost of sprinklers is too great—is more than he cares to or can conveniently take out of his working capital "just now." Then you explain you can arrange this, that he might secure this protection by diverting annually the insurance cost to acquiring a sprinkler system under a plan which entails the outlay of no capital and with no necessity for going to his

bank to effect loans to cover this installation.

Concrete Illustration Used to Show Point

Just a few words as a concrete illustration of what sprinklers will do for your customers. As you well know, sprinklers will reduce insurance rates anywhere from 50 to 80%, according to conditions with which you are more familiar than I am. Assuming you have a customer carrying \$100,000 at a rate of \$1.50 and you secure a sprinklered rate of 70% less than that, you save him \$1.05 on \$100.00 or \$1,050 a year, which amount on such valuations will usually pay for a system in five years. If he gives us \$1,050 a year and the first year saves that amount, he has made a 100% investment. At the end of the second year, he has paid out \$2,100 and has again saved \$1,050 that year or a 50% investment. So on until the equipment is paid for and if it takes five years to pay for it, he then has a permanent investment paying him 20%.

No Lien or Mortgage on the Property

I want to say you can approach your clients with the statement that we will install Grinnell equipments for them on our I. S. P. plan under a contract that does not exact any lien or mortgage on their realty; that does not exact the execution of notes as evidence of obligation; under a contract that is not assignable or that can be hypothecated. In other words, evidence of satisfactory credit plus his signature is the only guarantee we demand. We give your customer the privilege of discounting any or all outstanding payments at any time during the life of contract. We give him a cash option whereby he may se-

Remember this—
"Leaders are Learners"

A Personal Copy	Interest Them	Do you know—	Remove It—
<p>Do you really get a chance to read the National Underwriter regularly? Are you always the lucky one to get it first when it reaches the office—or how long does it take it to reach you—if ever? Many successful insurance men have solved the problem by ordering a personal copy sent either to their office or to their home. Order yours now!</p>	<p>Pictures always interest people. The Insurance Pictorial is printed in rotogravure—like those popular picture sections in metropolitan newspapers. Here is an opportunity to have your own house organ containing striking photographs which emphasize the value of various forms of insurance. Exclusive franchises still available in a few cities. Send in the coupon now!</p>	<p>It takes a good man to know the Casualty field thoroughly. There are so many lines and so many coverage. The Casualty Insuror covers this extensive field thoroughly and brings its readers in touch with timely topics and helping hints. Sign the coupon.</p>	<p>Agents all over the country are buying and praising W. S. Foster's new book on "Removing the Mystery from U & O Insurance." Twenty-four illustrations and charts help clarify this difficult but important coverage. Order your copy today!</p>
<p>NATIONAL UNDERWRITER, 1362 Insurance Exchange, Chicago, Ill.</p> <p>Please send me a personal copy of the National Underwriter for one year and bill me for the \$4.</p> <p>Name..... Street..... Town.....</p>	<p>NATIONAL UNDERWRITER CO., 1362 Insurance Exchange, Chicago, Ill.</p> <p>Please send information about the Insurance Pictorial and tell me whether the franchise for my territory is still open.</p> <p>Name..... Street..... Town.....</p>	<p>CASUALTY INSUROR, 1362 Insurance Exchange, Chicago, Ill.</p> <p>Put me down for a year's subscription to the Casualty Insuror and bill me for \$2.</p> <p>Name..... Street..... Town.....</p>	<p>NATIONAL UNDERWRITER CO., 1362 Insurance Exchange, Chicago, Ill.</p> <p>Please send me a copy of Foster's "Removing the Mystery from U & O Insurance." Enclosed is \$1.25.</p> <p>Name..... Street..... Town.....</p>

**Don't Pass
This Up!**

cure the system for cash within 30 days after approval by your underwriters. This is a very important feature of any conditional sales agreement.

A purchaser may enter into contract with us on a deferred payment basis with his mind uncertain as to whether he may not prefer a cash contract yet under our I. S. P. plan; he may at once secure the protection he desires and have before him three or four months before coming to an ultimate decision. He may then carry on the entire cost on the deferred plan, he may elect to buy for cash, or he may choose to discount a part of the contract and carry the balance. In any event, he immediately acquires the system and the resultant protection to his business and the reduction in his overhead expense probably already enjoyed by competitors who have seen these advantages earlier than he has.

CAN MORTGAGEE BE FORCED TO PAY PREMIUM

Question—Have you any court decisions on a case of this kind? An insurance agent writes a policy on a building at the request of the owner. The owner requests agent to insert standard mortgage clause in policy in favor of mortgagee. The policy is written for a term of three years. Assured fails to pay premium on policy and two years after date of issue, agent calls on mortgagee to pay premium. Mortgagee had not previously committed himself to pay premium. The mortgagee refuses to pay the premium. Can agent force the mortgagee to pay through law?

Answer—We know of no court decisions on a case of this kind. Usually, payment of the premium by the mortgagee is enforced by cancellation. That is, if neither the assured nor the mortgagee pays the premium, the policy is cancelled for non-payment. Thus it would be very unusual for a case to arise where the amount involved was worth a suit.

The obligation of the mortgagee to pay the premium would depend on circumstances. If the standard mortgage clause was used there will be found a provision that "on demand, the mortgagee or trustee shall pay the premium." This would seem to give a right of action against the mortgagee for the premium. However, it would depend on whether he had received and held the policy, or not.

There may be some question if the agent has not lost his rights against the mortgagee by neglect. A premium is supposed to be paid promptly and in the absence of a demand the mortgagee had a right to presume it was paid. To come after him at the end of two years or more when he has perhaps dealt with the mortgagor without knowledge of the failure to pay, puts him in an unfavorable position and he might defeat the agent's demand on the ground of laches, as the lawyers put it.



T. E. BRANIFF, Oklahoma City

J. V. Ferrari Was Present to Represent the National Body

JOSEPH V. FERRARI, Ft. Smith, Ark., regional vice-president of the National Association of Insurance Agents, was the first speaker Tuesday afternoon before the Oklahoma local agents. He touched briefly on some of the activities of the National organization. He cautioned the agents to be aware of the peril of branch offices. He reviewed the action of the Eastern Underwriters Association in making a concession to the Travelers Fire in eastern territory. He said the responsibility for this act rests squarely on the shoulders of the executive committee of the Eastern Underwriters Association. He urged the agents to perfect an organization at home. He explained some of the work and the accomplishments of the local board at Fort Smith.

R. L. Berry of the American Appraisal Company spoke on appraisals and pointed out the advisability of a scientific detailed provable appraisal.

The subject of "Advertising and Publicity" was handled by George Hudson

of the "Tulsa Tribune." Mr. Hudson said, in his opinion, service and reliability are the principal factors to stress in the advertising copy used by an insurance agent. He thinks that in some cases it is advantageous for a local agent to use space in a telephone book. People became familiar with telephone numbers. He believes, however, that the bulk of local agency advertising should be done in the newspapers. The newspapers have the biggest circulation and the largest number of readers. He commented favorably on advertising which is being done by insurance agents' associations. He thinks that insurance conditions can be greatly improved by such advertisements in the local paper. He pointed out that the agents should convince people that they are real business men. The public ought to be told this fact. Mr. Hudson showed specimens of advertising copy which have been used by Pearce, Porter & Martin of Tulsa, which has proved so successful. He told the agents to make the copy as frank and straightforward as

possible. He said the agents should spend some money to tell people of the extra service their office can render. He stated that this would prove to be money well spent. He spoke highly of the proposed advertising plan of the National Association of Insurance agents. He believes that at this time it might be well for many agents to have their local associations place advertisements in the daily papers.

Committee Appointments

The following men were named as members of the nomination committee: John F. McCullough, Oklahoma City; L. B. Peters, Okmulgee; George Harrison, Tulsa; L. I. Baker, Oklahoma City, and John Murray, Altus.

The resultation committee is composed of Ray Siegfried, Tulsa; W. N. Stevens, Muskogee; E. R. Ledbetter, Oklahoma City; H. Stehr, Tulsa, and Charles Goodwin, Anadarko.

T. E. Braniff, head of the T. E. Braniff & Co. general agents of Oklahoma City, who has been a regular attendant at the Oklahoma agents meetings was unable to attend this year's gathering. He was called east on business and could not reach Tulsa in time for the meeting.

WE HAVE FULL FACILITIES for OKLAHOMA AGENTS L. N. EWING COMPANY, INCORPORATED TULSA, OKLAHOMA GENERAL AGENTS

for

Casualty and Surety:

Commercial Casualty Insurance Co

National Surety Company

American Indemnity Company

Fire:

American Fire & Marine Insurance Co.

Eureka-Security Fire & Marine Insurance Co.

Merchants Fire Insurance Company

United States Merchants and Shippers Insurance Co.

L. N. Ewing, President P. J. Glover, Secretary
C. W. Allan, Treasurer
C. E. Thacker, Office Manager C. H. Happel, Auditor
R. B. Durant, Adjuster E. B. South, Adjuster
A. E. Lowe, Payroll Auditor
Walter Laswell, Safety Engineer



CONSIDER The Pace Setter

Oklahoma Agencies desiring to add Life Insurance to their service should write the Mid-Continent Life NOW.

The Mid-Continent is the first choice of those who appreciate the advantages of representing a company setting the pace.

In the new Home Office building this company is now prepared to stiffen the pace—increased facilities—service and selling aids will make representation of the Mid-Continent Life more profitable than ever.

MID-CONTINENT LIFE
INSURANCE COMPANY
OKLAHOMA CITY

MEN WANTED



TEAM WORK WINS

Members of the State and National Associations are writing 80% of the Nation's insurance business. Team work wins. . . . Write the State Secretary now—

**Associated
Fire and Casualty Underwriters
of Oklahoma City, Inc.**

210-211 Cotton Exchange Bldg.

Oklahoma City, Okla.

AUTOMATIC SPRINKLER PROTECTION IS TRUMP CARD IN LOCAL AGENCY HANDS

DOWN in Texas local agents of the Lone Star State held their annual round-up recently and gave consideration to the building of a successful local agency. It would seem from a review of the convention proceedings that this is not very much of a secret. The same principles that win out in any business that depends upon personal accounts are planks that belong in every local agent's platform. Chief among these, according to speakers of experience at the Texas meeting, is that simple old rule that "he profits most who serves best."

A dozen leaders of agency affairs in the southwest said so at the Dallas convention, among whom was A. D. Langham of Langham & Maillot at Houston. Local agents, according to Mr. Langham, are divided into just two classes—either they are insurance salesmen, or insurance peddlers.

"The insurance salesman," he told the convention, "is an agent who has made a conscientious and analytical study of his business, and therefore is in a position to render a real service to his clients through a study of their insurance needs, and is able to work out for his clients an intelligent plan of insurance that will give complete protection."

Confidence Is Keynote

Mr. Langham warned his hearers that permanent patronage depends upon the agent's ability to hold the client's confidence, and that the property owner looks to his insurer as a dependable source of information only so long as he is dependable, which obligates the agent to keep "abreast of the times."

"Make it apparent to your client," he urged, "that you desire your relations with him to be of a permanent and substantial nature—not such casual and temporary relations as exist between salesman and buyer, but the sort which characterize the negotiations and conferences between counsel and client, surgeon and patient, banker and customer."

And said Mr. Langham in his prescription for local agency success: "Be the first to acquaint your client with any new form of insurance or plan of protection which would be to his interest to know about and understand."

This recommendation suggested the installation of automatic protection in risks not yet sprinklered, because experience has proved that this plan is a trump card in the hands of agents who "know the game."

Aside from the fact that sprinkler equipment reduces the danger of fire at least 90 percent, thereby making it possible for the owners of profitable businesses to sleep without fear, it can be installed in most cases without the owner putting up a cent more than he is now paying in insurance premiums. The whole cost of the system is "written off" in five or six annual payments representing the difference between his present premiums and the reduced sprinklered rate. There are companies which will handle and guarantee all the details of finance and construction under a deferred payment plan that appeals instantly to solid business men.

Is Business Holder

But, as Mr. Langham told the Texas convention, "Be the first to acquaint your client" with this simple route to increased safety and savings. Every local agent should go over his list of clients and, putting himself in the place of each, reach a conclusion as to whether it would pay this or that owner to install a sprinkler system. Unless he does so, one of his biggest and best risks is very apt to fall into some progressive competitor's lap, for each year sees an increasing number of unprotected fire risks being equipped with sprinklers financed out of insurance savings.

Of course the business goes to the

agent or broker who first shows the property owner how easy it is to have such a system installed under the premium-savings plan. If there is a particularly choice risk in your territory, not yet on your books and not yet sprinklered, a recommendation is very apt to win the business for you; and if you already control the line you can make it competition-proof, build up good will for yourself, and pave the way to the sale of new lines of insurance by being the first to point out the advantages of sprinkler protection.

Praises the Plan

A St. Louis agent whose progressive methods have rewarded him handsomely in the handling of large accounts recently said: "Wherever values of buildings and/or contents are substantial, there is no question that the highest type of construction for safety from fire and the best equipment of sprinklers are advantageous expenditures. If, by a slight cost for fire protection, insurance premiums are reduced \$600 per year, that represents an income of six percent on \$10,000." Another agent from Kansas City is authority for the fact that the temporary reduction an agent takes in commission income when he gets an owner to install sprinklers is more than compensated for by the sales and prestige that follow. "The assured feels, in the first place, that the agent has a really unselfish interest in giving his clients protection against loss by fire," he declared at an agency convention. "His confidence in the agent becomes greater, and leads him to believe that such a wide-awake fellow would take care of other insurance coverages with equal care. Furthermore, the agent profits from the 'good word' the assured will speak to his friends. He may not know of it, but real orders will continue to flow his way, many of which could be traced to the first customer's satisfaction and his mention of the sprinkler plan to his business acquaintances."

Is Sales Stimulator

Along the same line, a big Chicago producer says of his experience with sprinkler installations: "The progressive agent or broker will not, because of the reduction of income due to the considerable rate reductions for fire insurance, object to recommend sprinklers under the easy-pay plans now available. By so doing he inspires confidence with the assured, improves his standing, and makes possible the securing of many other branches of business. I have in mind the case of one risk which I 'won' by recommending the installation of automatic sprinklers twelve years ago, and which is still on my books. Right off the bat I got the firm's use and occupancy insurance. Subsequently I got their compensation, steam boiler, fly-wheel, automobile and hold-up insurance. I have written business life insurance for the firm, and am working on them now for group life and disability, which I hope to close soon. All in all, it is the best account I have—and I 'squeezed in the door' in the first place with the automatic sprinkler plan as my key."

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